Parks Canada Agency

Annual Report 2002 - 2003

Parks Canada Parcs Canada

Canada

Serving Canadians

THE PARKS CANADA CHARTER

Our Mandate

On behalf of the people of Canada, we protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations.

Our Role

We are guardians of the national parks, the national historic sites and the national marine conservation areas of Canada.

We are guides to visitors from around the world, opening doors to places of discovery and learning, reflection and recreation.

We are partners, building on the rich traditions of our Aboriginal people, the strength of our diverse cultures and our commitments to the international community.

We are storytellers, recounting the history of our land and our people — the stories of Canada.

Our Commitments

To protect, as a first priority, the natural and cultural heritage of our special places and ensure that they remain healthy and whole.

To present the beauty and significance of our natural world and to chronicle the human determination and ingenuity which have shaped our nation.

To celebrate the legacy of visionary Canadians whose passion and knowledge have inspired the character and values of our country.

To serve Canadians, working together to achieve excellence guided by values of competence, respect and fairness.

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2002

104-07390/

PARKS CANADA AGENCY

Annual Report

2002 – 2003

Great-flowered
Gaillardia
Grasslands National
Park of Canada
Saskatchewan
W. Lynch, 1981

Fortifications of
Québec NHS
of Canada
Quebec
Pierre St. Jacques, 1994

Prince Edward Island
National Park
of Canada
PEI
Barrett & MacKay, 1997

Saguenay
St. Lawrence
Marine Park
Quebec
Parks Canada

Bottom Landscape
Snowy Mountain, Mount Revelstoke National Park of Canada (Parks Canada)
Lake and mountains (Parks Canada)
Motherwell Homestead National Historic Site of Canada (Parks Canada)
Fortress of Louisbourg National Historic Site of Canada (Parks Canada)
Château Frontenac National Historic Site of Canada (P. St.-Jacques, 1994)
Fall foliage (Parks Canada, Michael Wood, 1997)
Waves (Parks Canada, André Cornellier, 1991)

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Parks Canada | Parcs Canada

Chief Executive Officer | Directeur général

The Honourable Sheila Copps, P.C., M.P.
Minister of Canadian Heritage
Room 511-S, Center Block
House of Commons
Ottawa, Ontario
K1A 0M6

Dear Minister:

Pursuant to Section 34 of the *Parks Canada Agency Act*, I am pleased to present to you the Annual Report for the Agency's 2002-2003 operational year.

This Annual Report describes Parks Canada's strategic objectives and planned results, and provides a clear sense of the Agency's achievements against our *2002-2003 to 2006-2007 Corporate Plan* and our *2002-2003 Report on Plans and Priorities*. It also includes the 2002-2003 audited financial statements, and the Auditor General's opinion on the financial statements and the performance information.

Parks Canada's results are rooted in ensuring the ecological and commemorative integrity of Canada's systems of national heritage places, and in strengthening the pride of Canadians across our nation in Canada's natural and cultural heritage. Through this Annual Report, Parliamentarians, stakeholders, partners and all Canadians are able to gain a better understanding of the issues and challenges that Parks Canada faces in fulfilling its mandate.

Yours sincerely,

Alan Latourelle

Chief Executive Officer's Message

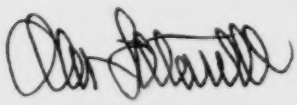
This Annual Report covers the achievements of the Parks Canada Agency from April 1, 2002, to March 31, 2003.

Parks Canada's key priorities during this period were to:

- maintain or restore the ecological integrity and sustainability of national parks and national marine conservation areas, and the commemorative integrity of national historic sites and cultural resources;
- establish new national parks and national marine conservation areas of Canada in unrepresented areas, which was reinforced by the Government of Canada Action Plan announced in October 2002;
- designate new national historic sites of Canada;
- engage Canadians so that they feel a strong connection to Canada's protected heritage areas;
- maintain and enhance service to visitors and the visitors' experience;
- develop and implement sustainable business planning processes;
- continue the renewal of the Agency's human resources regime; and
- ensure adequate long-term funding and financial sustainability of Parks Canada's programs.

The 2002-2003 Annual Report builds on the successes described in previous performance reports. Again, we have made progress in advancing the establishment and protection of national parks, national marine conservation areas and cultural resources. We are moving forward in engaging Canadians and a variety of stakeholders in protecting and presenting these places, especially with the 2nd Minister's Round Table on Parks Canada held in March 2003. Our success is reflected in the fact that Parks Canada's quality of service to visitors continues to be rated among the highest in governmental institutions. We are doing this in the face of tremendous challenges to protect natural and cultural resources before they are lost, and to maintain the resources entrusted to our stewardship.

The fact that we have been able to accomplish so much is a testament to the dedication and efforts of all our employees across the country.



Alan Latourelle

Section 1: Parks Canada Profile

Legislation

Parks Canada was established as an agency of the federal government through the *Parks Canada Agency Act* in December 1998. Its mandate is to protect and present nationally significant examples of Canada's natural and cultural heritage, and to foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations.

Agency Status and Authorities

The Parks Canada Agency has been established as a "departmental corporation" under Schedule II of the *Financial Administration Act*. This means that Parks Canada is a separate legal entity, reporting to the Minister of Canadian Heritage, dedicated to delivering the programs set out within the Agency's legislation and policy authorities. The Minister remains responsible for the overall direction of the Agency and is accountable to Parliament for all Parks Canada activities.

The Parks Canada Agency has been provided with more flexible human resource, administrative and financial authorities. These authorities include:

a) Separate employer status to enable the design of a human resources management framework that is more responsive to Parks Canada's particular operational requirements and the conditions in which its employees work;

b) Full revenue retention and reinvestment to contribute to the financing of services;

c) A two-year rolling budget to promote the wise investment of public funds and to allow for funding advances; and

d) A non-lapsing account to finance the establishment of new national parks, national historic sites and national marine conservation areas.

In addition, Parks Canada has received new capital program, contracting and real property authorities to streamline administrative processes and paperwork, while continuing to be accountable to the Minister and Parliament, who oversee the Agency's operations.

Governance

Parks Canada's Executive Board comprises the Chief Executive Officer, the four Directors General, the Chief Administrative Officer, the three Executive Directors from Quebec, the Mountain Parks and Northern Canada, the Executive Director, Ecological Integrity, the Chief Human Resources Officer, the Executive Director of Finance, the Director of Communications, the Senior Legal Counsel and the Chief of Staff. The CEO reports to the Minister of Canadian Heritage.

As the senior decision-making body, the Executive Board sets the long-term strategic

direction and priorities for the organization. The Board also approves resource allocations, new initiatives and service innovations.

The Audit and Evaluation Committee of the Executive Board oversees internal audit and evaluation activities in the Agency. The Committee's role includes reviewing and approving the three-year Audit/Evaluation Plan, receiving and approving all completed audit and evaluation reports and ensuring that any recommendations are incorporated into the priority setting, planning and decision-making processes.

The National Parks and National Historic Sites Directorates develop program direction and operational policy for Parks Canada's natural and cultural heritage programs respectively. The Strategy and Plans Directorate provides business, information technology, real property and financial services. The Human Resources National Office provides overall direction and support for Parks Canada's responsibilities as the employer. The Communications Branch provides strategic communication support to the Agency. The Director General, Eastern Canada and the Director General, Western and Northern Canada, give strategic direction to the field units and service centres.

The Aboriginal Affairs Secretariat is responsible for the overall co-ordination of Aboriginal issues in Parks Canada (with the exception of land-claim issues) and reports directly to the CEO.

Program delivery, including on-site services to visitors, is the responsibility of Parks Canada's 32 field units. Field units are groupings of national parks, national historic sites and national marine conservation areas that are usually in proximity to one another thereby allowing them to share management and administrative resources. The field unit superintendents are accountable to the CEO through annual business plans and reports. They report to and receive advice and program guidance from the Directors General for Eastern Canada and Western and Northern Canada.

There are also four service centres, located in Halifax, Québec, Cornwall/Ottawa and Winnipeg, with smaller branches in Calgary and Vancouver, which support the organization in a variety of professional and technical disciplines, such as biology and history. Service Centres report to the Executive Director, Service Centres and are accountable to the CEO through their annual business plans.

National Programs

For more than a century, the Government of Canada has been involved in protecting and presenting outstanding natural areas and in commemorating significant aspects of Canadian history. Parks Canada manages three major programs: national parks, national historic sites and national marine conservation areas.

System of National Parks of Canada

The national parks program aims to protect for all time representative examples of natural areas of Canadian significance in a system of national parks, and to encourage public understanding, appreciation and enjoyment of this natural heritage so as to leave it unimpaired for future generations.

System of National Historic Sites of Canada

The national historic sites program fosters knowledge and appreciation of Canada's past through a national program of historical commemoration. The Minister of Canadian Heritage, on the advice of the Historic Sites and Monuments Board of Canada, designates persons, places and events determined to be of national historic significance.

System of National Marine Conservation Areas of Canada

In 1986, the national marine conservation areas program was established to protect and conserve for all time national marine areas of Canadian significance that are representative of the country's ocean environments and the Great Lakes, and to encourage public understanding, appreciation and enjoyment of this marine heritage so as to leave it unimpaired for future generations.

Other National Programs

Parks Canada also directs or co-ordinates delivery of additional programs that conserve aspects of Canada's heritage. These programs are: the Federal Heritage Buildings Program, the Heritage Railway Stations Program, the Canadian Heritage Rivers System Program, the Federal Archaeology Program and the National Program for the Grave Sites of Canadian Prime Ministers. More detailed descriptions of these programs can be obtained on the Parks Canada Web site at **www.parkscanada.gc.ca**.

International Obligations

Parks Canada contributes to international heritage conservation through its leadership and participation in international conventions, programs, agencies and agreements.

Parks Canada represents the Government of Canada on the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage (the World Heritage Convention). Parks Canada also contributes to UNESCO's Programme on Man and the Biosphere by providing advice and financial support to the four biosphere reserves that contain national parks and by providing funding and secretarial support to the system of 10 biosphere reserves in Canada. Parks Canada also serves as the State Member for Canada in the World Conservation Union (IUCN), and serves jointly with the Canadian Conservation Institute as the representative to the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM).

Section 2: Context and Key Activities in 2002-2003

This section positions Parks Canada within the Government of Canada's overall policy agenda, sets out the key challenges facing the Agency and reviews key activities undertaken during 2002-2003 in response to these issues.

The Parks Canada Agency is a key instrument for the Government of Canada to achieve its sustainable development and heritage conservation goals. In October 2002, the Prime Minister and the Minister of Canadian Heritage announced the Government of Canada's Action Plan to substantially complete the national parks system with the establishment of ten new national parks over the next five years, to expand the number of national marine conservation areas by five within the same period and to complete three existing national parks through additions of ecologically significant lands. The government also announced a commitment and funding to address the maintenance and restoration of ecological integrity in existing national parks. Budget 2003 outlined funding to carry out these commitments as well as new resources to provide the private sector financial incentives to preserve historic places. While moving forward to achieve these goals, the Agency will face substantial environmental, social, cultural, economic and technological challenges.

Human use continues to impact on Canada's wilderness. This impact is felt at Canada's existing national parks, challenging the government's ability to create ecologically sound new national parks and national marine conservation areas. The World Wildlife Fund's spring 2003 Report, *The Nature Audit*, documented continuing threats to boreal forests, the cumulative pressures of fisheries, aquaculture, and energy development on Atlantic and Pacific waters, the costly impacts of invasive species brought in through ballast water and imported goods containers, and biodiversity pressures associated with urban activities, such as pollution and sprawl. Human use and development also threaten built cultural heritage, with over 20% of Canada's historic places lost since the 1970s.

Protection of these resources is important to Canadians and contributes to the economy of Canada. According to a 1999 poll (Market Facts of Canada), 9 out of 10 Canadians consider it important that their governments take action to protect wilderness. A Goldfarb Report (2001) found that the majority of Canadians (91%) believe that preservation of the historical record is essential in promoting pride in our country. While the systems of national parks and national historic sites continue to be among the top national symbols, polling data commissioned by the Association of Canadian Studies (Environics

2003) showed their importance in terms of Canadian identity is declining. A study commissioned by Parks Canada showed that Canada's systems of national parks, national historic sites and national marine conservation areas contribute in excess of $1.2 billion to the gross domestic product and provide 37,600 full-time jobs annually.

In 2002-2003, Parks Canada continued to work toward representing all of the terrestrial and marine natural regions in the systems of national parks and national marine conservation areas. No new national park agreements were signed in 2002-2003 but final steps to prepare for expected signing ceremonies were taken for the creation of a national park reserve in the southern Gulf Islands of British Columbia and for the establishment of Ukkusiksalik National Park of Canada in Wager Bay, Nunavut. The *Canada National Marine Conservation Areas Act*, passed by the House of Commons in November 2001, was enacted in June 2002. This legislation sets out a national framework for the establishment and management of a system of national marine conservation areas. Enhancement of the system of national historic sites of Canada continued with the designation of 16 national historic sites, nine national historic persons, and 2 national historic events. Twelve of these designations related to Parks Canada's priority of enhanced recognition of the historic achievements of women, Aboriginal peoples and ethnocultural communities.

Achievement of virtually all of Parks Canada's key results depends critically on a network of partners and stakeholders. Establishment and protection of national parks and national marine conservation areas involve the consent, support and co-operation of other levels of government, Aboriginal peoples and a variety of local and regional businesses and community interests. Advancement of the National Historic Sites System Plan involves working closely with the Historic Sites and Monuments Board of Canada as well as owners and operators of national historic sites. Balanced commemoration of significant aspects of Canadian history involves supporting women, Aboriginal and ethno-cultural communities in order to increase their capacity to make nominations of persons, places or events for designation. Parks Canada's communications and educational programs engage the tourism industry, the educational community and mass media producers.

In March 2003, approximately 80 stakeholders participated in the 2nd Minister's Round Table on Parks Canada, a requirement in the *Parks Canada Agency Act*. The Round Table is intended to advise the Minister of Canadian Heritage on the performance of Parks Canada and matters related to the Agency's responsibilities. Participants made 21 recommendations on themes related to: the establishment of new national parks and national marine conservation areas; the maintenance and restoration of ecological integrity and visitor experience at existing parks; the building of capacity for conservation, interpretation and marketing of Canada's national historic sites; finding ways for the national historic sites "family" and other stakeholders to collaborate to increase profile and visitation; reaching a sustainable service offer through reducing costs while finding new ways to deliver programs and services, and lastly; reaching Canadians by making national treasures more relevant and making the visitor's experience more meaningful. The Minister of Canadian Heritage will respond to the recommendations within 180 days of the Round Table, and the report outlining this response will be available on the Parks Canada Web site.

Parks Canada continued to work with the Department of Canadian Heritage to develop the Historic Places Initiative. The Initiative is a federal, provincial and territorial government collaboration to protect and conserve Canada's historic places and to engage more Canadians in heritage conservation. In 2002-2003, working closely with stakeholders, Parks Canada completed the program design and system development for the new Canadian Register of Historic Places. A training program with provincial/territorial registrars was conducted and joint planning began for the transfer of information on historic places to the Register. Parks Canada undertook pilot testing of national conservation standards and guidelines in co-operation with provincial and municipal governments and a final draft of the standards was prepared by March 2003. Design of a national certification process to promote conservation work in keeping with the standards and guidelines at eligible historic places was also completed. A training program for certification agents was developed to prepare them to review the conservation plans of projects seeking funding from the new contribution program announced in the Budget of February 2003.

Parks Canada also continued to work closely with the Department of Canadian Heritage on the development of policy and legislative proposals that will contribute to a fully developed federal heritage legislative and policy regime including: protection for national historic sites, federal heritage buildings and archaeological sites on federal lands; a legislative base for the Canadian Register of Historic Places and the Standards and guidelines for the Conservation of Historic Places in Canada; and consideration of the heritage value of historic places included in the Register by federal custodians.

The demographics of the Canadian population continue to evolve and will affect public policy and the way in which Parks Canada delivers its mandate. The population is aging as the baby-boomer generation moves into retirement years. Immigrants are expected to constitute 80 per cent of population growth in Canada by 2030. Most immigrants settle in the major urban areas far from the significant examples of natural and cultural heritage that Parks Canada manages. Almost 1.3 million people, 4.4 per cent of the total population, report Aboriginal identity in Canada. The number of Aboriginal people, particularly young people, is growing relative to the Canadian population as a whole. Responding to the needs of the aging audience, reaching new Canadians and engaging Aboriginal Canadians are among the most significant challenges faced by Parks Canada.

In 2002-2003, 53 co-operating associations (commonly referred to as "Friends") assisted in providing visitor services in 72 national parks, national historic sites and national marine conservation areas. All aspects of Parks Canada's mandate are supported by Parks Canada's National Volunteer Program which, in 2002-2003, engaged 3,600 volunteers who contributed more than 100,000 hours creating historical enactments, designing exhibits and studying wildlife for research purposes, among other activities.

In 2002-2003, Parks Canada continued its efforts to engage ethnocultural communities in identifying and nominating people, places and events of national historic significance to the Historic Sites and Monuments Board of Canada. Managers were provided communications tools (e.g., video, brochures) as part of the *Recognizing OUR History* strategy, to help them encourage nominations. Consultation sessions were held with ethnocultural communities in Halifax, Montreal and Toronto.

Parks Canada also continues to place a high priority on five areas related to working with Aboriginal peoples: building relationships with Aboriginal peoples; creating economic partnerships; increasing programming at parks/sites; enhancing employment opportunities; and commemoration of Aboriginal themes. Efforts are under way to ensure that these priorities are referenced within the sustainable business plans for national parks and national historic sites.

The Aboriginal Consultative Committee, established in 2001-2002 pursuant to a recommendation at the first Minister's Round Table on Parks Canada, held three meetings in 2002-2003. Discussions at these meetings focused on traditional spiritual use of national parks by Aboriginal peoples. The first draft of "Parks Canada – Engaging Aboriginal People" was presented, with the final report expected by December 2003.

Progress has been made in the translation of the Parks Canada Charter into 54 Aboriginal languages in both a written and spoken presentation. As of March 2003, the Charter has been translated into ten languages with the remaining 44 to be completed by March 2006 (approximately ten per year).

Parks Canada continued to encourage the identification and nomination to the Historic Sites and Monuments Board of Canada of peoples, places and events of national historic significance related to the history of Aboriginal peoples. A total of 22 consultation and research initiatives with communities of Aboriginal people were undertaken in 2002-2003.

In June 2002, Parks Canada responded to the report of the Senate Subcommittee on Aboriginal Economic Development in relation to Northern National Parks. A commitment was made to work in partnership with Inuit and Aboriginal peoples in northern Canada in accordance with land claim and park establishment agreements, to sustain continued local benefits from the establishment and management of national parks in the north. As a result of one of the Senate Subcommittee's recommendations, Parks Canada now conducts staff training in the north on the legal and constitutional framework surrounding northern national parks including cooperative management and land claim obligations.

Technological change and the information revolution have created a more knowledge-based economy and society. Canadians are becoming one of the most connected nations in the world in terms of Internet usage. In 2001-2002, as part of its commitment to Government On-Line (GOL), and under the aegis of the Canadian Heritage On-line Reservations and Ticketing Project, Parks Canada began work on the development of a national campground reservation system. Proposals to develop and implement the campground reservation system were solicited in 2002-2003. Initial development and testing of the system will take place through the 2004 camping season. A national rollout of the system is anticipated for the 2005 campground-operating season.

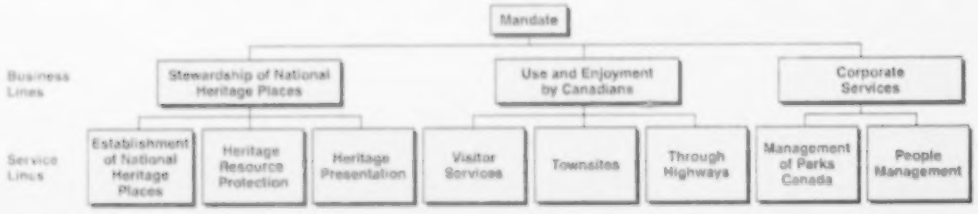
In the last two years, a significant focus has been on redefining the role of Parks Canada wardens. As a result of a complaint by a warden under the *Canada Labour Code*, Parks Canada has undertaken a comprehensive review of the duties of wardens related both to law enforcement and resource protection. The findings of this review have led to a reduced role for park wardens in enforcing highway traffic and criminal code offences and refocused the law enforcement program on resource protection.

The February 2003 Budget allocated additional resources of $144 million over five years, with $29.2 million ongoing yearly funding for the extension of the national park system and national marine conservation areas system. New funding of $75 million was received for ecological integrity over five years with an ongoing yearly allocation of $25 million after five years. This funding represents a significant step forward in completing and protecting the system of national parks although it does not address all the costs. Finding appropriate resources to protect and commemorate national historic sites not administered by Parks Canada and to expand the National Historic Sites of Canada Cost-Sharing Program remains a challenge. Parks Canada requires $425 million in infrastructure investment to update assets over the next five years and an additional $100 million per year thereafter to maintain them. This represents a significant unfunded liability. Parks Canada will continue to work with central agencies to find solutions to these resource risks.

Section 3: Performance Against Plan

How We Plan and Report

Figure 1: Parks Canada's Business and Service Lines



Parks Canada's business lines and service lines are the basis of its Planning, Reporting and Accountability Structure (PRAS). At the highest level, three business lines represent groups of key activities and results to be achieved. Flowing from the business line are eight service lines that provide a more detailed breakdown of activities and results. Within service lines, planned results and performance expectations represent more specific commitments. Planned results are the building blocks for planning and reporting, both corporately and for individual business units within Parks Canada.

This Report documents performance against commitments in both the *2002-2003 Report on Plans and Priorities* (RPP) and *the Corporate Plan: 2002 – 2007*. The wording shown in Figure 2 is the wording from the Corporate Plan. In both the RPP and the Corporate Plan, the planned results are organized by service line. In the RPP, business line results are referred to as strategic outcomes while in the Corporate Plan they are called business line key results. There are minor differences in the wording of the commitments in the two documents. The complete system of business line key results, service line objectives, planned results and performance expectations is shown in Figure 2 (see below) based on the wording in the Corporate Plan.

For purposes of reporting, the eight service lines are divided into two groups. The core mandate activities are establishment, protection, heritage presentation and service to visitors. Mandate support activities are not part of Parks Canada's

core mandate, but are of significant public interest (e.g., townsites and highways) or support the work of other service lines (e.g., Parks Canada management and people management).

Figure 2: Results for Canadians

MANDATE	To protect and present nationally significant examples of Canada's natural and cultural heritage, and to foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations.				
CORE MANDATE					
KEY RESULT **2002-2003 Expenditures** **Operating Capital**	The establishment, protection and presentation of places that are of natural and cultural heritage significance. **$196M** **$24.1M**				
SERVICE LINE **Strategic Objectives** **2002-2003 Expenditures** **Operating Capital**	**1: Establishment of National Heritage Places** To work toward completing the systems of national parks and national marine conservation areas in representing all of Parks Canada's terrestrial and marine natural regions and to enhance the system of national historic sites, which commemorates Canada's history. **$14.1M** **$ 5.0M**		**2: Heritage Resource Protection** As the first priority, to ensure the ecological integrity of national parks, the commemorative integrity of national historic sites and the sustainability of national marine conservation areas. **$130.2M** **$ 12.4M**		**3: Heritage Presentation** Ensure that commemorative and ecological integrity values are understood and supported by Parks Canada's stakeholders and the public. **$51.7M** **$ 6.7M**
PLANNED RESULTS	Created national parks and new national marine conservation areas in unrepresented regions and completed unfinished parks **(subject to new funding)**	Designated and commemorated new national historic sites, persons and events of national historic significance, particularly in under-represented priority areas.	Maintained or restored ecological integrity of national parks and the sustainability of national marine conservation areas.	Maintained or improved commemorative integrity of national historic sites.	Increased awareness, understanding of and support for the values of national parks and national historic sites.
PERFORMANCE EXPECTATIONS	• Sign agreements to represent three new terrestrial regions based on the availability of funding • Sign agreement to represent one new marine region based on the availability of funding	• 135 new designations of which 55 will be in priority areas – March 2006	• Improve the suite of ecological integrity indicators – March 2003 • Update reporting framework and expand monitoring system by March 2004	• Evaluate all 145 national historic sites the Agency administers by 2011, with 14 new evaluations conducted yearly	• Utilization and understanding targets – 2002-2003 • Heritage Presentation Satisfaction targets: 85% overall satisfied, 50% very satisfied

Figure 2: Results for Canadians *(cont'd)*

To protect and present nationally significant examples of Canada's natural and cultural heritage, and to foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations.

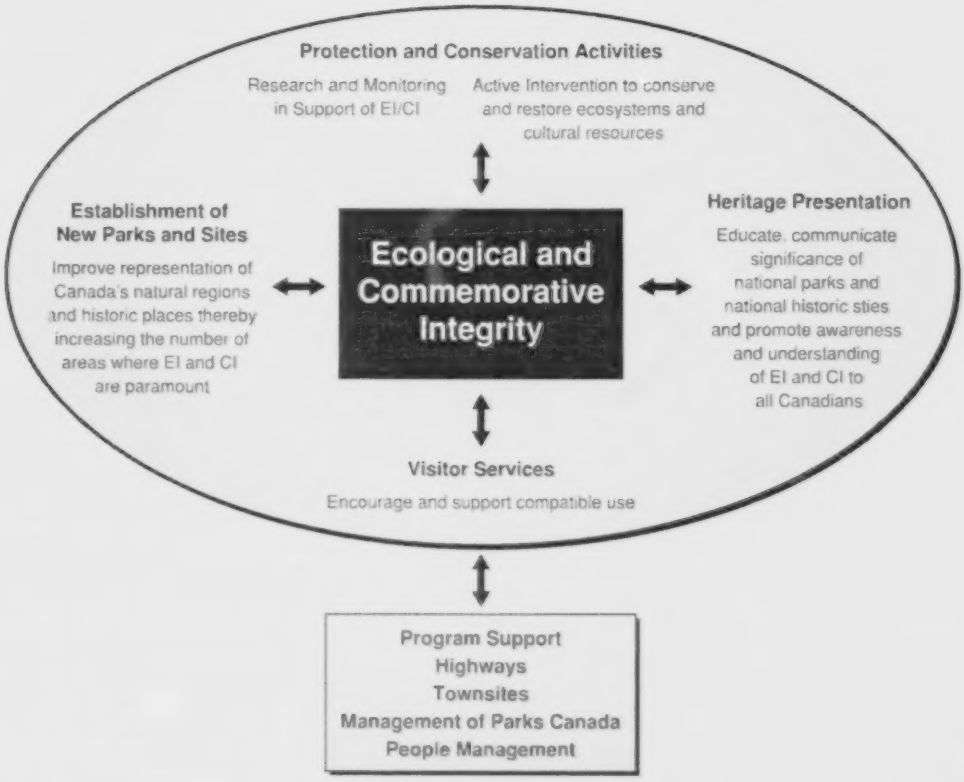
CORE MANDATE			MANDATE SUPPORT		
Canadians use and enjoy national heritage places while supporting and participating in the conservation of Canada's heritage.			Parks Canada provides strong leadership, both directly and indirectly, in effectively and efficiently managing its resources to protect and present heritage places.		
$188.1M **$ 21M**			**$59.4M** **$ 2.5M**		
4: Visitor Services To provide visitors at national parks, national historic sites and national marine conservation areas with services to enable them to safely enjoy and appreciate heritage places, while ensuring that the associated levels of impact on resources are minimized.	**5: Townsites** Park communities are effectively governed and efficiently administered as models of sustainability.	**6: Through Highways** To maintain reliable, safe through transit that minimizes ecological impact.	**7: Management of Parks Canada** To maintain or improve management integrity, particularly focussing on effective decision making and results-based management.		**8: People Management** To manage Human Resources so that a qualified Parks Canada workforce, representative of the Canadian population, works in a positive and enabling environment.
$154.6M **$ 12.7M**	**$8.0M** **$3.7M**	**$25.5M** **$ 4.6M**	**$46.6M** **$ 2.5M**		**$12.8M** **$ 0M**
Managed visitor expectations and use to ensure visitor satisfaction and minimize impact on natural and cultural resources.	Sound management practices and leadership in environmental stewardship in park communities.	Highways remain open to through traffic and interventions are designed to minimize ecological impact.	Improved management frameworks to ensure effective decision making and accountability.	Enhanced participation of Aboriginal peoples in Canada's heritage places.	Improved work environment, workplace renewal and representativeness.
• Visitor service satisfaction targets: 85% overall satisfied, 50% of which are very satisfied • Expand visitor impact indicators by March 2004 • Establish public safety framework – September 2002	• Continue to improve environmental performance • 100% cost recovery for municipal services	• Highways open to through traffic • Ecological reporting framework – March 2003	• Complete Modern Comptrollership capacity check and action plan – June 2002 • Performance indicators and information systems for reporting on all planned results – March 2005	• Targets to be determined	• Key indicators – March 2004 • Workforce representative of both official language groups • Workforce representative of employment equity groups

Finally, expenditures by business line and service line are also included in Figure 2 in keeping with the past reporting practice of showing expenditures against key results areas. More details on expenditures by service line are reported below. The figures in this document are reported on accrual-based accounting while the figures in Parks Canada's Departmental Performance Report are calculated on cash-based accounting. The annual report also includes revenue data for Visitor Services and the Townsite service lines where revenues could be clearly attributed.

The relationship among the service lines is shown in Figure 3. All the service lines directly or indirectly support the achievement of Parks Canada's key accountabilities: ecological and commemorative integrity.

In the next section, each service line is described, followed by the service line strategic objectives, planned results and performance expectations contained in *the Corporate Plan: 2002 – 2007*. Initiatives and achievements describe the Agency performance relative to the outcomes and expectations that were set out in the *Report on Plans and Priorities* and the *Corporate Plan*.

Figure 3: Mandate and Support Activities and Key Accountabilities


Protection and Conservation Activities
Research and Monitoring in Support of EI/CI
Active Intervention to conserve and restore ecosystems and cultural resources
Establishment of New Parks and Sites
Improve representation of Canada's natural regions and historic places thereby increasing the number of areas where EI and CI are paramount
Ecological and Commemorative Integrity
Heritage Presentation
Educate, communicate significance of national parks and national historic sties and promote awareness and understanding of EI and CI to all Canadians
Visitor Services
Encourage and support compatible use
Program Support
Highways
Townsites
Management of Parks Canada
People Management

PART 1: CORE MANDATE

The core mandate activities of Parks Canada are the establishment, protection, and presentation of heritage places, and service to visitors.

ESTABLISHMENT OF NATIONAL HERITAGE PLACES

Description and Expenditure

This service line covers system planning, negotiating with stakeholders, and establishing national parks, national historic sites and national marine conservation areas, negotiating with stakeholders for inclusion in the national systems, obtaining ministerial approval and establishing new heritage places. Expenditures for the service line were:

(In thousands of dollars)		2002-2003	2001-2002
OPERATING (not including amortization and net loss on disposal)	Salary	8,522	8,287
	Other	5,614	6,239
	Total	14,136	14,526
CAPITAL		5,005	5,709

This service line represents 3% of total operating expenditures in the last two years. Capital expenditures in 2002-2003 include $3.6M for work on the newly designated HMCS *Haida* National Historic Site of Canada.

Strategic Objective	Planned Results	Performance Expectations
To work toward completing the systems of national parks and national marine conservation areas in representing all of Canada's terrestrial and marine natural regions, and to enhance the system of national historic sites, which commemorates Canada's history.	Creation of new national parks and new national marine conservation areas in unrepresented regions and completion of unfinished parks.	• Sign agreements to represent three new terrestrial regions based on the availability of funding • Sign agreement to represent one new marine region based on the availability of funding
	Designation and commemoration of new national historic sites, persons and events of national historic significance, particularly in under-represented priority areas.	• 135 new designations by March 2006, of which 55 will be in priority areas

Initiatives and Achievements

Establishment of National Parks and National Park Reserves of Canada

The major achievements of this fiscal year relate to the announcement and securing of funding for an action plan to substantially complete Canada's system of national parks over the next five years. With adequate funding secured for park establishment and ongoing operations over the next four to five years, Parks Canada is now in a position to proceed with signing park agreements as they are completed.

The National Parks System Plan (1997) guides completion of the national parks system. The system plan divides Canada into 39 distinct "National Park Natural Regions" based on physiography (the appearance of the land) and vegetation. The goal is to represent each of the natural regions with at least one national park.

The complete system of 39 natural regions, and the national parks and national park reserves established within these regions (representing 25 or 64% of the natural regions), are shown in Figure 4. A national park reserve is an area managed as a national park but where the lands are subject to one or more land claims by Aboriginal people. Figure 4 also shows regions with interim protection (i.e., a region with lands withdrawn from other uses pending the negotiation and signing of a new park agreement) and areas of interest (i.e., an area that is representative of the natural region and has been selected for a new park feasibility study). In total, the parks and park reserves cover 244,540 square kilometres, representing approximately 2.4% of Canada's total land mass.

The process of establishing a national park is outlined in the accompanying box. Thirty-five of the current national parks and national park reserves are protected under the *Canada National Parks Act (Step 5)* and four of the 39 operating parks and reserves are not yet proclaimed under the Act.

The 2002-2007 Corporate Plan committed to signing agreements to represent three new terrestrial regions during the planning period based on the availability of funding (i.e., regions 2, 16 and 24). A park agreement, which represents commitments to develop, operate and protect the ecosystems of a new national park, would only be signed once adequate ongoing funding was in place. Because funding was secured only in February and March 2003, no agreements were signed and no new parks were created during 2002-2003. However, in two regions, Region 2, Strait of Georgia Lowlands and Region 16, Central Tundra, agreements had been ratified and some final steps to prepare for expected signing ceremonies were taken. Negotiations continued in Region 24 Northern Labrador Mountains, to obtain a park agreement.

Performance Expectation
Sign agreements to represent three new terrestrial regions based on the availability of funding.

How Parks Are Established

National parks are usually established according to a five-step sequence.

- Steps one and two, identifying representative areas and selection of an area for a park proposal, rely primarily on a scientific approach

- Step three, feasibility assessment, is more complex and time consuming because it involves: studying the area's ecological resources and human uses; identifying potential social and economic impacts on local residents; developing ecological park boundary options; and conducting public consultations to share information and seek input

- Step four, negotiating a park agreement, can also be time consuming since it may involve comprehensive land claims by Aboriginal peoples, complications in determining final park boundaries, and decisions about land acquisition. Step four is completed when the Minister, with Cabinet approval, signs the negotiated park establishment agreement. Parks Canada is then responsible for the operation of the national park or national park reserve under the authority of various provincial, territorial and/or federal regulations. For system planning purposes, a natural region is represented in the system when step four is completed

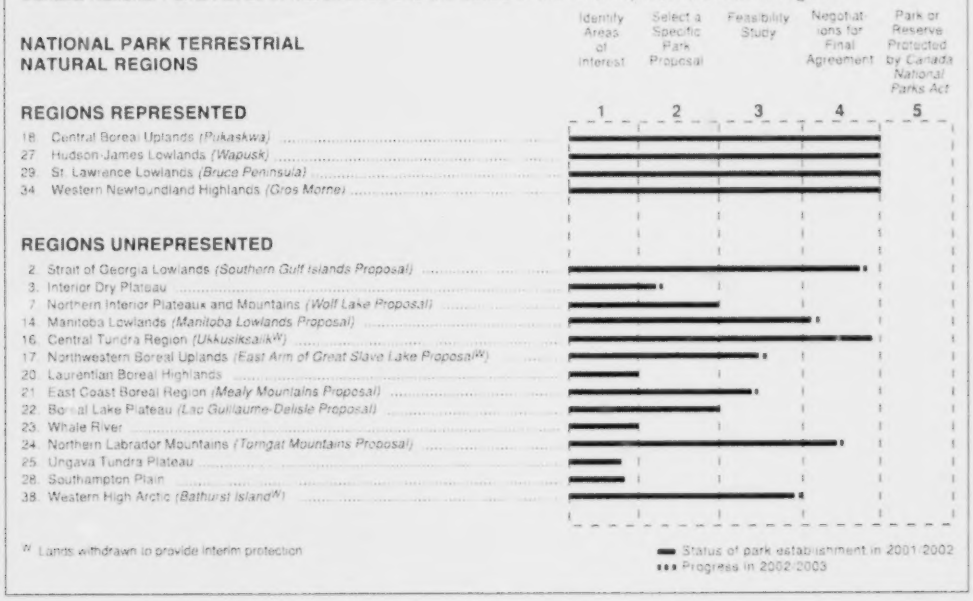
- The fifth and final step is protection of the park or reserve under the *Canada National Parks Act*.

It often takes years to move through all the steps of establishing a national park. Many issues, including the need for local community and provincial or territorial government support, competing land-use pressures, and the need to secure funds for establishment and operation of new parks make the pace of advancement hard to anticipate and at times difficult for Parks Canada to control. The length of time required and the complexity of the negotiation process create risks that some representative examples of natural regions will disappear before they can be protected and that costs for completing the system will continue to escalate.

Figure 4: Natural Regions and National Parks

Figure 5: Progress on Completing the National Park System (2002-2003)

This chart describes the progress made in the four represented natural regions where parks were not under the *Canada National Parks Act* as of March 2003 and the status of the 14 unrepresented natural regions.


NATIONAL PARK TERRESTRIAL NATURAL REGIONS
Identify Areas of Interest
Select a Specific Park Proposal
Feasibility Study
Negotiations for Final Agreement
Park or Reserve Protected by Canada National Parks Act
1
2
3
4
5
REGIONS REPRESENTED
18. Central Boreal Uplands (Pukaskwa)
27. Hudson-James Lowlands (Wapusk)
29. St. Lawrence Lowlands (Bruce Peninsula)
34. Western Newfoundland Highlands (Gros Morne)
REGIONS UNREPRESENTED
2. Strait of Georgia Lowlands (Southern Gulf Islands Proposal)
3. Interior Dry Plateau
7. Northern Interior Plateaux and Mountains (Wolf Lake Proposal)
14. Manitoba Lowlands (Manitoba Lowlands Proposal)
16. Central Tundra Region (Ukkusiksalik[W])
17. Northwestern Boreal Uplands (East Arm of Great Slave Lake Proposal[W])
20. Laurentian Boreal Highlands
21. East Coast Boreal Region (Mealy Mountains Proposal)
22. Boreal Lake Plateau (Lac Guillaume-Delisle Proposal)
23. Whale River
24. Northern Labrador Mountains (Torngat Mountains Proposal)
25. Ungava Tundra Plateau
28. Southampton Plain
38. Western High Arctic (Bathurst Island[W])
[W] Lands withdrawn to provide interim protection
Status of park establishment in 2001-2002
Progress in 2002-2003

* The 2001-2002 Annual Report also showed region 38 completing step 3 but this was not achieved until part way through the 2002-2003 fiscal year.

Figure 5 summarizes progress on completing the national park system in the 14 unrepresented regions and in four regions with operational parks or park reserves where the park was not protected under the *Canada National Parks Act* as of March 2003. More detail on each unrepresented area is found in the 2001 *State of Protected Heritage Areas Report* (**www.parkscanada.gc.ca**).

Region 2: Parks Canada and the Government of British Columbia negotiated a final agreement during 2001-2002 for the creation of a national park reserve in the southern Gulf Islands. The Gulf Islands National Park Reserve, once established and operating, will protect approximately 2,500 hectares over 15 islands in one of Canada's most endangered natural regions. The British Columbia Cabinet ratified the agreement in December 2001, and it is expected to be signed in spring of 2003.

Region 16: Subsequent to the negotiation of an Inuit Impact and Benefit Agreement for Ukkusiksalik National Park (Wager Bay, Nunavut) during 2000-2001, the Kivalliq Inuit Association ratified the agreement. Signing the agreement was expected by March 2002, but is delayed until summer of 2003. The land withdrawn for the proposed national park remains in place.

Region 24: Negotiations continued between Parks Canada and the Labrador Inuit Association on a Park Impacts and Benefits Agreement to formalize the relationship between Parks Canada and the Labrador Inuit within a national park

reserve in the Torngat Mountains. Discussions began with Makivik Corporation, representing the Nunavik Inuit of northern Quebec, to develop a consultation process with them. Negotiations continued with the Government of Newfoundland and Labrador towards an agreement to transfer land required for a national park reserve but at a slower pace than expected, and therefore negotiations were not completed in fall/winter of 2002.

Even though some studies and projects were put on hold during 2002/2003 because of budget constraints, progress was made in the following regions:

Region 3: In the Interior Dry Plateau Natural Region, efforts focused on examining options for selecting a proposal in the region. Parks Canada completed an assessment of a proposal in the Okanagan area put forward by conservation interests. The Government of British Columbia announced in its Throne Speech on February 11, 2003, its interest in exploring a national park in this area.

Region 14: Parks Canada continued to make some progress toward formal negotiation of a federal-provincial agreement. During the past year, Parks Canada and Manitoba Parks met to seek agreement on a revised park boundary to improve regional representation and ecological integrity in order to meet the new standards set by the *Canada National Parks Act*. Further discussions were undertaken with community and First Nation leaders to identify issues and the means to involve them in negotiations for the proposed national park.

Region 17: In the context of the Akaitcho Process for resolving treaty entitlement of affected First Nations, renewed interest in the national park proposal for the East Arm of Great Slave Lake was expressed in 2001 by the community of Lutsel K'e, and discussions continued between Parks Canada and community leaders in 2002-2003. Canada and the Northwest Territories Métis Nation also agreed to a protocol on the exchange of information on the proposal, which formalizes the Métis Nation's involvement in the consultation process.

Region 21: Parks Canada continued work on the feasibility study announced by the Minister of Canadian Heritage in March 2001. Interest in the possibility of establishing a national park in the Mealy Mountains area remains high, and representatives of a variety of stakeholders have formally organized as a steering committee to conduct this study with Parks Canada. The research program was launched, although with limited funding, and the start of formal public consultations was organized.

Region 38: In 2002-2003, consensus was achieved by affected federal government departments on a boundary proposal for a new national park at northern Bathurst Island, following careful consideration of all relevant criteria, including ecological information, caribou habitat, public input and a proposal put forward by the Mining Association of Canada and the Canadian Nature Federation.

During 2002-2003, there was no progress in six unrepresented regions due either to lack of local or provincial political support to advance national parks proposals in these areas (regions 7, 20, 22, 23, 25) or because of the decision by Parks Canada to not focus resources in the area given limited short-term potential to reach a park agreement (region 28).

The status of the four regions (18, 27, 29 and 34) that are represented by operating national parks but not included in the *Canadian National Parks Act* did not change in 2002-2003.

Regions 34 and 27: Gros Morne and Wapusk listed in Schedule I of the *Act*, have not yet been proclaimed. Regulations to manage traditional

renewable resource harvesting activities, as agreed to in the park establishment agreements, must be in place before proclamation can occur and these are in the process of being developed. Regulations for Gros Morne National Park of Canada are expected by fall of 2003, but those for Wapusk National Park of Canada could take until March 2005.

Regions 18 and 29: Pukaskwa and Bruce Peninsula National Parks of Canada were not covered by the new *Act* in February 2001, due to unresolved Aboriginal issues that continue to be the subject of discussions. In addition, land acquisition will be underway for many years at Bruce Peninsula National Park of Canada.

National Park Completion and Extension

Parks Canada is seeking to complete two national parks and potentially increase the size of three others. Acquiring additional land either inside or outside current park boundaries can serve both to complete the representation of a natural region and enhance the ecological integrity of a national park.

Regions 13 and 29: The federal-provincial agreements that provided for the establishment of Grasslands National Park of Canada in Saskatchewan and Bruce Peninsula National Park of Canada in Ontario, set out boundaries for these parks. Within these agreed-upon boundaries, private lands are being acquired on a willing seller-willing buyer basis. At the time of this report, acquired lands for Bruce Peninsula National Park of Canada represent 32% of the total boundary area of 154 square kilometres and acquired lands for Grasslands National Park of Canada represent 56% of the total boundary area of 906 square kilometres. During 2002-2003, 165.93 hectares were acquired for addition to Bruce Peninsula National Park of Canada (i.e., a 3.3% increase). Parks Canada is also negotiating to extend the boundaries of a few established national parks.

Region 15: The current boundaries of Tuktut Nogait National Park of Canada represent 58% of 28,093 square kilometres withdrawn from development at the time of the establishment of the park in 1998 (See Figure 4). The Minister of Canadian Heritage announced in March 2001 the opening of negotiations with the Sahtu Lands Corporation to complete the park within the traditional territory of the Sahtu Dene and Métis. Negotiation of an Impact and Benefit Plan, the equivalent to a park establishment agreement, have taken longer than expected. A final agreement is expected in 2003-2004.

Region 8: Nahanni National Park Reserve of Canada currently covers an area of 4,765 square kilometres. In November 2001, Parks Canada tabled its report on Areas of High Conservation Value on lands adjacent to the park Reserve with the Deh Cho Process. Negotiations between Parks Canada and Deh Cho First Nation on a Memorandum of Understanding that puts in place a process to develop, assess and consult on an enlarged boundary for the national park reserve concluded in February 2003, with the memorandum being ratified by the Deh Cho First Nation.

Region 5: Parks Canada is working with the Government of British Columbia to assess a proposal to protect a rugged landscape in the Flathead Valley in a national park reserve, immediately west of Waterton Lakes National Park of Canada. Protection of this area would enhance the ecological integrity of the existing national park, and complete the missing corner of the International Peace Park. Should the provincial government react favourably to the proposal, and the First Nation agrees, negotiations of an agreement could commence.

Establishment of National Marine Conservation Areas and NMCA Reserves of Canada

A policy regarding national marine conservation areas (NMCAs) was first approved in 1986, and updated in 1994[1], as a basis to protect and conserve a network of areas representative of Canada's marine environments. A system plan, similar to the one for national parks, guides the establishment of new areas. Entitled *Sea to Sea to Sea* (**www.parkscanada.gc.ca**), the plan divides Canada's oceanic waters and Great Lakes into 29 marine natural regions. The *Canada National Marine Conservation Areas Act* was enacted on June 13, 2002 and sets out a framework for the establishment and management of a system of national marine conservation areas.

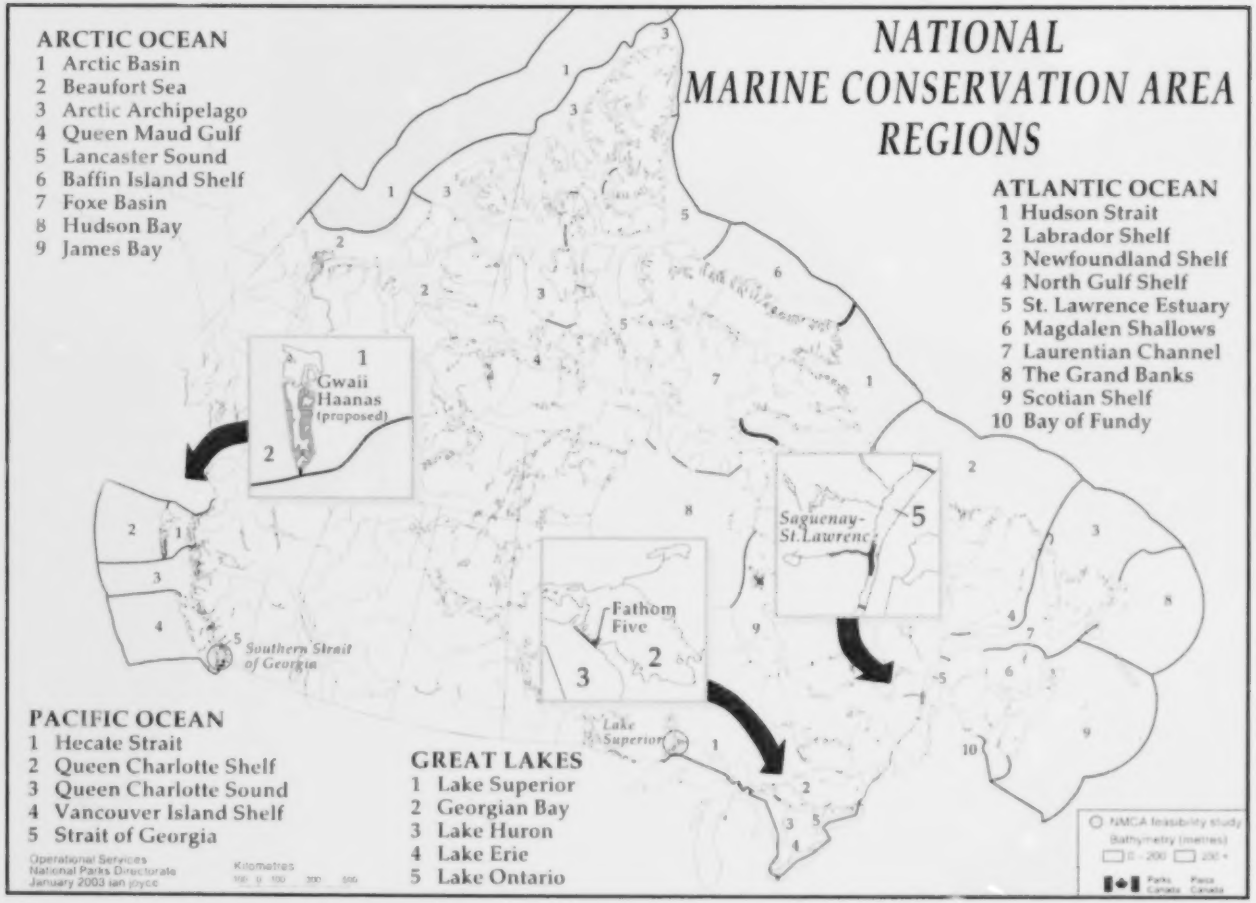
The national marine conservation areas program is still young. The complete system of 29 marine regions and the operational and proposed national marine conservation areas or NMCA reserves within those regions is shown in Figure 6. The two operational sites represent two of the 29 marine natural regions (7%) and cover 1,251 square kilometres.

Establishment of Marine Conservations National Areas

National marine conservation areas are established according to a process similar to the five-step procedure that guides the establishment of terrestrial national parks (i.e., identifying and selecting representative marine areas through studies of area resources and quality of representation, assessing the feasibility of and public support for a specific proposed national marine conservation area, negotiating a formal federal-provincial-territorial agreement setting out the terms and conditions under which the NMCA will be established and managed; establishing a new NMCA in legislation). The *Canada National Marine Conservation Areas Act* requires the preparation of an interim management plan prior to the final legislative step in NMCA establishment. Depending on local circumstances, the preparation of such a plan may occur in parallel with the negotiation of an establishment agreement but could begin earlier, during the feasibility stage, or later. A region is considered to be represented in the system when stage four, negotiating a federal-provincial-territorial agreement, is completed.

[1] In 1986 national marine conservation areas were called national marine parks. The updated 1994 policy changed the name to national marine conservation areas to reflect the different management regime required in marine areas relative to terrestrial national parks.

Figure 6: Marine Natural Regions and National Marine Conservation Areas



As is the case in completing the national parks system, the pace of progress in establishing new national marine conservation areas is, in part, often beyond the direct control of Parks Canada (the process is shown in the accompanying box). Complex regional resource use issues are important factors that must be considered. In addition, Parks Canada has been hampered by the lack of a legislative basis for the program, and by a lack of financial resources to devote to the enhancement of our scientific expertise and to the establishment and protection of national marine conservation areas. The new *Act*, the Action Plan announced in October 2002, and funding provided in the February 2003 Budget have together set the stage to move forward over the next five years to establish MNCAs in five unrepresented areas (i.e., in total 7 areas represented or 24% of the marine regions at the end of five years).

Performance Expectation
Sign agreement to represent one new marine region based on the availability of funding.

Figure 7 shows progress in the two regions with operational national marine conservation areas as well as progress in the unrepresented regions. The only marine conservation area to have completed step five in the establishment process is the Saguenay – St. Lawrence Marine Park in Quebec (Atlantic Ocean – Region 5), which is managed under its own legislation with objectives similar to those of the *Canada National Marine Conservation Areas Act*.

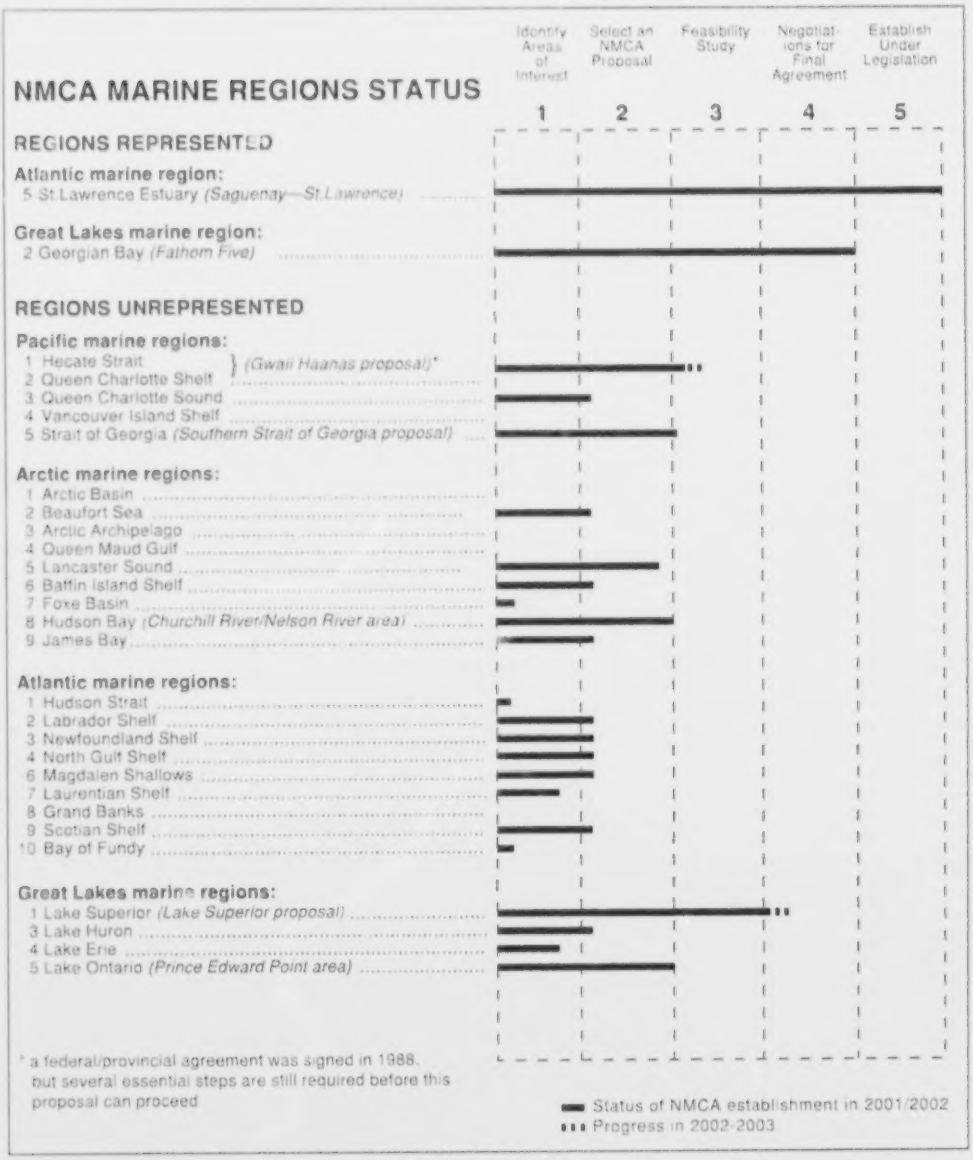
Fathom Five National Marine Park of Canada (Great Lakes – Region 2) has not been formally transferred to the federal government but is managed by Parks Canada through delegated authorities from the Province of Ontario and under an approved management plan (Step 4).

In 2002-2003, some progress was made on the establishment of national marine conservation areas or NMCA reserves in three regions. Negotiations to represent Great Lakes, Region 1, Lake Superior, have been ongoing between Parks Canada and the Government of Ontario. During 2002-2003, these led to a draft agreement in principle that remained unsigned at year's end. A final agreement is anticipated before the end of 2003-2004.

A 1988 federal-provincial agreement between Canada and British Columbia committed both governments to establishing a national marine conservation area reserve adjacent to Gwaii Haanas National Park Reserve of Canada, which would represent two marine regions (Pacific Ocean, Regions 1 and 2). Preparatory work to implement the existing agreement and to negotiate a separate agreement with the Haida Nation continued in 2002-2003, with limited resources.

It should be noted that given resource constraints, Parks Canada's work on extending the system of national marine conservation areas was focused only on the regions noted above during 2002-2003.

Figure 7: Progress on Completing the NMCAs System (2002-2003)



Enhancing the System of National Historic Sites of Canada

In October 2000, a new National Historic Sites of Canada System Plan (**www.parkscanada.gc.ca**) was released. This plan presents a long-term strategy to address the need for enhancing the system of commemoration of places, persons and events that have shaped our history. The plan identifies the history of Aboriginal peoples, ethnocultural communities and women as insufficiently represented in the system and makes these Parks Canada's strategic priorities. As of March 2002, there were 1,799 designations, including places (877), persons (569) and events (353) of national historic significance. Approximately 19% of these places, persons and events (334) relate to one or more of the three strategic priorities identified in the system plan.

These totals are different than those reported in the 2001-2002 Annual Report. Parks Canada has changed its methodology for including a person, place or event in the system total. Prior to this year, recommendations for designation by the Historic Sites and Monuments Board of Canada (HSMBC) were counted toward the total. Starting in this year, only the Minster's actual designations during the reporting period will be added to the total. Revised totals for the two years prior to the reporting period and new totals for the reporting period are provided below.

Unlike the national parks and national marine conservation areas system plans, implementation of the National Historic Sites of Canada System Plan is the responsibility of several different stakeholders, of which Parks Canada is only one. Others include the public, who make most of the nominations for designation, the Historic Sites and Monuments Board of Canada, which reviews all submissions and recommends those subjects that represent nationally significant aspects of Canadian history, and the Minister of Canadian Heritage, who designates places, persons and events of national historic significance. More details on the roles and responsibilities of each of the stakeholders, in particular Parks Canada's, are outlined below.

Steps to Designation

Nomination of places, persons and events for designation and marking is the primary way the public provides input into the national commemoration program. Parks Canada plays a largely indirect role in the nomination process through: development of the *National Historic Sites of Canada Plan*, publicizing the plan, and the program and role of the HSMBC; occasionally proposing places, persons or events for possible designation based on system plan framework studies; and providing support to build the capacity of communities to bring their nominations to the HSMBC. Since 1999-2000, Parks Canada New Sites Initiative Program has held consultation sessions with Aboriginal peoples and more recently with ethnocultural communities. In 2003-2004, Parks Canada will undertake a five-year review of this program.

Parks Canada provides the Secretariat for the HSMBC. The Secretariat receives public inquiries about the program and possible designations (on average over 2,000 per year). In the last three years, Parks Canada has received 68, 61 and 62 nominations respectively, the majority (95%) from the public. About a third (i.e., 35%) of the nominations received during this time represented one or more of the three strategic priorities identified in the System Plan (i.e., 19 in 2002-2003). In 2002-2003, 97% (60) of the nominations were received from the public and two were originated by Parks Canada.

Screening Nominations

Nominations received by the Historic Sites and Monuments Board Secretariat are reviewed and screened by a Parks Canada historian or archaeologist. Detailed criteria and guidelines are published on Parks Canada's Web site (**www.parkscanada.gc.ca**). Some illustrative criteria include the requirement for a place to have been built prior to 1975 in order to be considered for designation or that a person be deceased for at least 25 years (with the exception of prime ministers) prior to consideration for designation. A nomination is assumed to be acceptable unless, through screening, it can be demonstrated that it does not meet the criteria or guidelines, or that a precedent or benchmark established by the HSMBC during past deliberations would make the designation unlikely.

Parks Canada is directly responsible for screening and preparing submission reports for those nominations that meet the criteria. Once a nomination is accepted, Parks Canada is responsible for the preparation of an individual submission report on the subject and its historical importance. In the last three years, Parks Canada prepared 106 submission reports for the Board (45 in 2002-2003) of which 37% concerned strategic priorities.

Recommendations for designations are made by the HSMBC based on the submissions it receives and the Board's own expert knowledge of Canadian history. The Board meets twice a year (spring and fall) to consider submissions. It may or may not recommend designation, or defer a recommendation by requesting supplementary information and then reconsider the submission at a latter meeting. In the last three years, the Board has recommended designations for 55% of the submissions it has reviewed (25 recommendations in 2002-2003 out of 44 submissions reviewed). The Board impartially looks at each submission on its own merit and, therefore, is no more likely to recommend designations for submissions related to the strategic priorities than those related to other areas.

Following each of the Board's semi-annual meetings, Parks Canada, acting as the Secretariat, prepares Minutes outlining the Board's recommendations and submits them to the Minister. This process takes approximately six months to complete. The Minister may approve or reject the Board's recommendations.

Ministerial Designation

In 2002-2003, the Minister made 27 designations. Twelve of the designations shown in Figure 8 relate to the strategic priorities. Four of these designations were previously reported in the 2001-2002 Annual Report (indicated by an *) but properly belong to the 2002-2003 period under the new approach to counting designations.

Figure 8: Designations Related to Strategic Priorities in the NHS System Plan (2002-2003)

Designations	Aboriginal Peoples History	Ethnocultural Communities History	Women's History
Places			
Abbotsford Sikh Temple – Oldest surviving Sikh temple		❑	
Church of Notre-Dame-de-la-Défense – Serves the oldest Italian community in Canada		❑	
Ehdaa – Traditional gathering site for the Dene	❑		
Erland Lee (Museum) Home – Site of the drafting of the constitution of the first Women's Institute			❑
Tr'ochëk* – Aboriginal cultural landscape	❑		
Persons			
Sylvester, Joe* – Aboriginal guide who contributed to the exploration and mapping of Newfoundland	❑		
Laura Ingersoll Secord (1775-1868) – Renowned heroine of the War of 1812			❑
Louis Thomas – Defender of Maliseet interests and rights	❑		
Mary and Henry Bibb – Influenced the development of the African Canadian community through their newspaper, "Voice of the Fugitive"		❑	❑
Mattie Mitchell* – Mi'kmaw hunter, guide and prospector; contribution to the exploration and mapping of Newfoundland	❑		
Oronhyatekha* – First accredited Aboriginal medical doctor in Canada	❑		
Events			
Settlement of Viger by the Maliseets – First land grant made to Aboriginal people in Lower Canada under the government's new Aboriginal settlement policy	❑		

Figure 9 summarizes the designations and the number related to strategic priorities for the reporting period and for the two proceeding fiscal years. These totals reflect Parks Canada's revised approach that counts designations made by the Minister during the reporting period rather than recommendations for designation made by the Board.

Figure 8: Designations Related to Strategic Priorities in the NHS System Plan (2002-2003)

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Ehdaa – Traditional gathering site for the Dene	❑		
Erland Lee (Museum) Home – Site of the drafting of the constitution of the first Women's Institute			❑
Tr'ochëk* – Aboriginal cultural landscape	❑		
Persons			
Sylvester, Joe* – Aboriginal guide who contributed to the exploration and mapping of Newfoundland	❑		
Laura Ingersoll Secord (1775-1868) – Renowned heroine of the War of 1812			❑
Louis Thomas – Defender of Maliseet interests and rights	❑		
Mary and Henry Bibb – Influenced the development of the African Canadian community through their newspaper, "Voice of the Fugitive"		❑	❑
Mattie Mitchell* – Mi'kmaw hunter, guide and prospector; contribution to the exploration and mapping of Newfoundland	❑		
Oronhyatekha* – First accredited Aboriginal medical doctor in Canada	❑		
Events			
Settlement of Viger by the Maliseets – First land grant made to Aboriginal people in Lower Canada under the government's new Aboriginal settlement policy	❑		

Figure 9 summarizes the designations and the number related to strategic priorities for the reporting period and for the two proceeding fiscal years. These totals reflect Parks Canada's revised approach that counts designations made by the Minister during the reporting period rather than recommendations for designation made by the Board.

Figure 9: Designations Relating to Strategic and Non-Strategic Priorities (2000-2003)

	2000-2001		2001-2002		2002-2003	
	All Designations	Strategic Priorities	All Designations	Strategic Priorities	All Designations	Strategic Priorities
Balance at Beginning of Year	1,754	320	1,775	326	1,799	334
# of designations	21	6	24	8	27	12
Net Adjustments*					-3	0
Balance at End of Year	1,775	326	1,799	334	1,823	346

*Removal of existing designations (e.g., destruction of the asset, discovery of double-counted or uncounted previous designations or re-assessment of status of site).

Adjustments to the list in 2002-2003 include the removal of two places (i.e., the Capitol Theatre NHSC in Winnipeg due to its demolition and Artillery Park, confirmed to be an important component of the Fortifications of Québec NHSC, but not a national historic site unto itself) and one person (i.e., Dr. Jean-Baptiste Meilleur to avoid double counting). As of March 2003, there were 1,823 designations of which 19% (346) were related to one or more of the three strategic priorities (i.e., 155 of 891 places, 110 of 577 persons and 81 of 355 events).

Previous Corporate Plans and Annual Reports have set targets for the number of designations to be achieved within a specific time period (i.e., originally March 2005 but in the last two Corporate Plans, March 2006). The change in time period should not be taken to mean that the commitment to achieve 135 designations has been delayed by a year. Parks Canada's commitment is to achieve an average of 27 designations per year of which, on average, 11 will relate to strategic priorities. Year-to-year variation in the number of designations is natural and should lead over any five-year period to the target value of 135 designations with 55 related to priority areas. In Parks Canada's draft 2003/2008 Corporate Plan this expectation has been modified to focus on the average of 27 designations per year rather than the total expected in a five-year period.[2]

Performance Expectation
135 new designations by March 2006, of which 55 will be in priority areas.

Figure 9 shows that in the last three years the Minister has made 72 designations or an average of 24 per year, slightly below the target. There have been 26 designations relating to the three strategic priorities within the same time period, again slightly below the target average of eleven per year. Between April 2000 and March 2003, the percentage of all designations represented by strategic priorities grew by less than 1%.[3]

[2] Parks Canada has not set targets for other parts of the designation process including its role as the Secretariat.

[3] By way of comparison, achievement of the original target of 135 designations of which 55 related to strategic priorities would increase the percentage of designations represented by strategic priorities by about 1.2% beyond the April 2000 baseline.

Parks Canada Administered National Historic Sites of Canada

One hundred and forty eight of the 891 national historic sites across Canada, or about one in six, are administered directly by Parks Canada either wholly or in part with others. Many of the Parks Canada sites were acquired through transfer from other federal departments to Parks Canada when a property was no longer required for departmental operational purposes but was of national historic significance. A number of sites have been acquired specifically to address thematic gaps as identified in the previous system plan. Individual citizens, heritage agencies, corporations, federal government departments or other levels of government own the national historic sites not administered by Parks Canada. The national historic sites administered by Parks Canada are shown in Figures 10 and 11.

Additions and adjustments to the overall list of designated historic sites in 2002-2003 (Figure 9) have resulted in changes to the list of national historic sites administered by Parks Canada (Figure 11). Parks Canada assumed the ownership and administration of two new national historic sites: the tribal class destroyer HMCS *Haida* National Historic Site of Canada (designated in 1984) was transferred from the Province of Ontario, and Melanson Settlement NHSC (designated in 1986) was transferred from the Province of Nova Scotia. Clarification of the designated place for Canso Islands NHSC (designated in 1925) resulted in Parks Canada being identified as administrator of a small portion of the site. Two sites were also removed from the list of Parks Canada administered sites: Artillery Park NHSC (for the reason noted above) and the Canal Lake Concrete Arch Bridge NHSC in Ontario, as a result of land title research showing it to be under the ownership of the City of Kawartha.

Figure 10: National Historic Sites of Canada

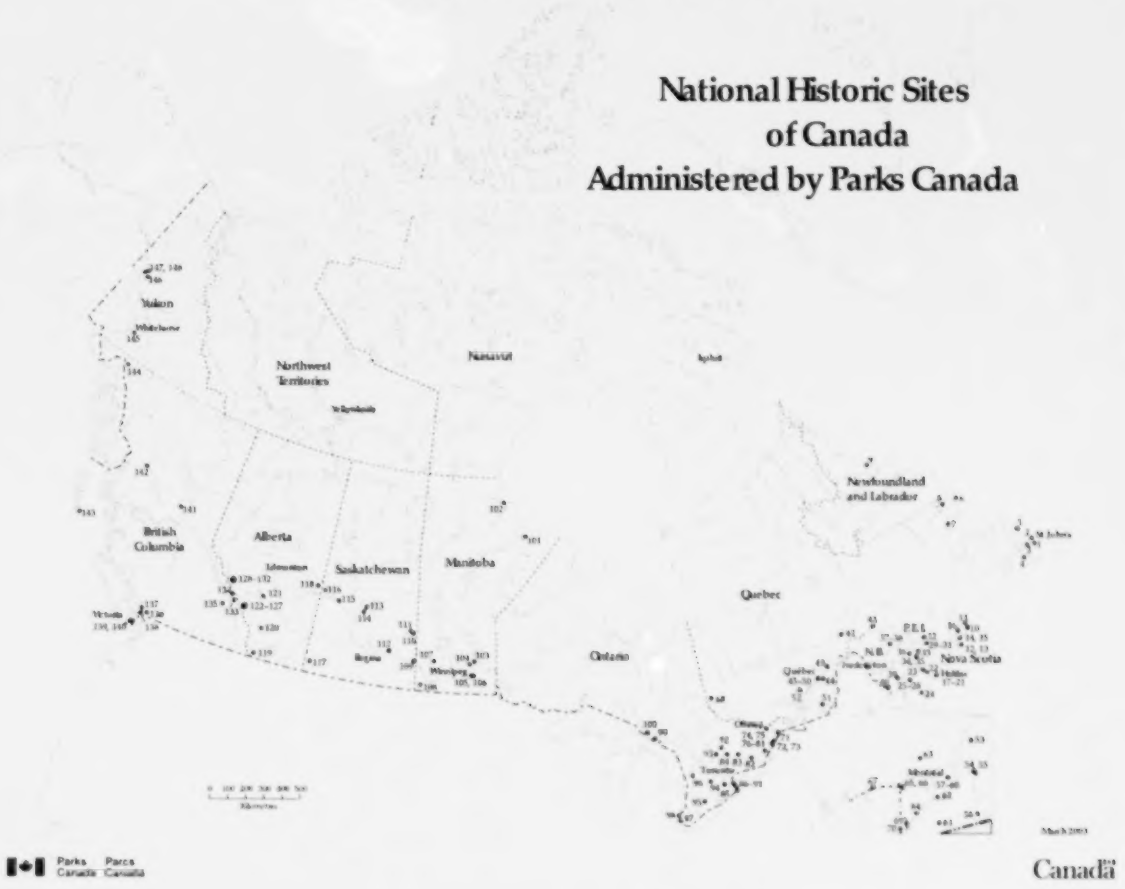


Figure 11: The 148 National Historic Sites of Canada Administered by Parks Canada

(Sites added to the list in 2002-2003 are highlighted. Two sites from the list in the previous Annual Report have been removed: Artillery Park NHSC and Canal Lake Concrete Arch Bridge NHSC. Beaubears Island Shipbuilding (#38) and Saint-Louis Forts and Châteaux (#45) were originally added to the list in the 2001-2002 Annual Report but, given the new approach to counting designations, should properly have been added in 2002-2003.)

The 148 National Historic Sites of Canada Administered by Parks Canada

NEWFOUNDLAND AND LABRADOR
1. Cape Spear
2. Signal Hill
3. Hawthorne Cottage
4. Castle Hill
5. Ryan Premises
6. L'Anse aux Meadows
7. Port au Choix
8. Red Bay
9. Hopedale Mission

NOVA SCOTIA
10. Fortress of Louisbourg
11. Marconi
12. Grassy Island Fort
13. Canso Islands
14. St. Peters Canal
15. St. Peters
16. Alexander Graham Bell
17. Fort McNab
18. Georges Island
19. Halifax Citadel
20. Prince of Wales Tower
21. York Redoubt
22. Fort Edward
23. Grand-Pré
24. Kejimkujik
25. Fort Anne
26. Scots Fort
27. Port-Royal
28. Melanson Settlement

PRINCE EDWARD ISLAND
29. Port-la-Joye–Fort Amherst
30. Ardgowan
31. Province House
32. Dalvay-by-the-Sea Hotel

NEW BRUNSWICK
33. Fort Gaspareaux
34. Fort Beauséjour
35. La Coupe Dry Dock
36. Monument Lefebvre
37. Boishébert
38. Beaubears Island Shipbuilding
39. Carleton Martello Tower
40. St. Andrews Blockhouse

QUEBEC
41. Battle of the Restigouche
42. Pointe-au-Père Lighthouse
43. Grosse Île and the Irish Memorial
44. Lévis Forts
45. Saint-Louis Forts and Châteaux
46. Cartier-Brébeuf
47. Fortifications of Québec
48. Maillou House
49. Québec Garrison Club
50. Montmorency Park

QUEBEC *(continued)*
51. Louis S. St. Laurent
52. Forges du Saint-Maurice
53. Saint-Ours Canal
54. Chambly Canal
55. Fort Chambly
56. Fort Lennox
57. The Fur Trade at Lachine
58. Lachine Canal
59. Louis-Joseph Papineau
60. Sir George-Étienne Cartier
61. Battle of the Châteauguay
62. Sainte-Anne-de-Bellevue Canal
63. Sir Wilfrid Laurier
64. Coteau-du-Lac
65. Carillon Barracks
66. Carillon Canal
67. Manoir Papineau
68. Fort Témiscamingue

ONTARIO
69. Glengarry Cairn
70. Sir John Johnson House
71. Inverarden House
72. Battle of the Windmill
73. Fort Wellington
74. Laurier House
75. Rideau Canal
76. Merrickville Blockhouse
77. Bellevue House
78. Murney Tower
79. Shoal Tower
80. Cathcart Tower
81. Fort Henry
82. Trent-Severn Waterway
83. Peterborough Lift Lock
84. Mnjikaning Fish Weirs
85. HMCS *Haida*
86. Navy Island
87. Queenston Heights
88. Butler's Barracks
89. Fort George
90. Fort Mississauga
91. Mississauga Point Lighthouse
92. Bethune Memorial House
93. Saint-Louis Mission
94. Woodside
95. Southwold Earthworks
96. Point Clark Lighthouse
97. Fort Malden
98. Bois Blanc Island Lighthouse
99. Fort St. Joseph
100. Sault Ste. Marie Canal

MANITOBA
101. York Factory
102. Prince of Wales Fort
103. Lower Fort Garry
104. St. Andrew's Rectory
105. The Forks
106. Riel House
107. Riding Mountain Park East Gate Registration Complex
108. Linear Mounds

SASKATCHEWAN
109. Fort Espérance
110. Fort Pelly
111. Fort Livingstone
112. Motherwell Homestead
113. Batoche
114. Battle of Fish Creek
115. Fort Battleford
116. Frenchman Butte
117. Fort Walsh

ALBERTA
118. Frog Lake
119. First Oil Well in Western Canada
120. Bar U Ranch
121. Rocky Mountain House
122. Skoki Ski Lodge
123. Cave and Basin
124. Howse Pass
125. Banff Park Museum
126. Abbot Pass Refuge Cabin
127. Sulphur Mountain Cosmic Ray Station
128. Jasper Park Information Centre
129. Athabasca Pass
130. Yellowhead Pass
110. Jasper House
132. Henry House

BRITISH COLUMBIA
133. Kicking Horse Pass
134. Twin Falls Tea House
135. Rogers Pass
136. Fort Langley
137. Stanley Park
138. Gulf of Georgia Cannery
139. Fisgard Lighthouse
140. Fort Rodd Hill
141. Fort St. James
142. Kitwanga Fort
143. Nan Sdins
144. Chilkoot Trail

YUKON TERRITORY
145. S.S. *Klondike*
146. Dredge N°. 4
147. Dawson Historical Complex
148. S.S. *Keno*

March 2003

HERITAGE RESOURCE PROTECTION

Description and Expenditures

This service line relates to the maintenance or restoration of ecological integrity in national parks, sustainability of marine conservation areas and protection of commemorative integrity in heritage places managed or influenced by the Parks Canada Agency. Expenditures for the service line were:

(In thousands of dollars)		2002-2003	2001-2002
OPERATING (not including amortization and net loss on disposal)	Salary	84,006	81,946
	Other	46,238	49,818
	Total	130,244	131,764
CAPITAL for	Ecological Integrity	801	1,387
	Commemorative Integrity	11,549	15,811

Over the last two years, this service line has accounted for 25% of total Parks Canada operating expenditures. Significant capital expenditures in 2002-2003 included approximately $1M on Fort Henry National Historic Site of Canada, $2.6M on the Trent Severn Canal, and $1.5M on the Grand Pre National Historic Site of Canada.

Strategic Objective	Planned Results	Performance Expectations
As the first priority, to ensure the ecological integrity of national parks, the commemorative integrity of national historic sites and the sustainability of national marine conservation areas.	Maintain or restore the ecological integrity of national parks and the sustainability of national marine conservation areas.	• Improve the suite of ecological integrity indicators by March 2003 • Update reporting framework and expand monitoring system by March 2004
	Maintain or improve the commemorative integrity of national historic sites.	• Complete commemorative integrity statements for 75% of the Parks Canada-administered sites by March 2002, 90% by March 2003, 100% by March 2004 • Obtain ministerial approval of management plans for 145 national historic sites by December 2003 • Evaluate all 145 national historic sites the Agency administers by 2011, with 14 new evaluations conducted yearly • No targets are set for national historic sites not administered by Parks Canada

Initiatives and Achievement

Heritage resource protection activities consist of research and monitoring, and management and protection of heritage resources. Research and monitoring include activities to gain a better understanding of the changes in native species richness, number and extent of invasive exotics species, impact of sewage, petrochemical, etc. on ecosystems, archeological and historic sites. Research and monitoring is also undertaken to assess the condition of and threats to the resources, to establish a baseline condition, and trends and condition changes over time. Management and protection activities include preparation of appropriate plans for achieving a desired state or condition, fire management/ prevention, management of insect infestations, flood/avalanche control, restoring ecosystem biodiversity, conservation and presentation of national historic sites, preparation of commemorative integrity statements and negotiation and influencing of actions on lands adjacent to protected heritage areas.

Ecological Integrity in National Parks of Canada

There are 39 national parks or national park reserves in the system. The maintenance and restoration of their ecological integrity is the first priority for the national parks. The *Canada National Parks Act* defines ecological integrity as:

> *a condition that is determined to be characteristic of its natural region and likely to persist, including abiotic components and the composition and abundance of native species and biological communities, rates of changes and supporting processes.*

Planning For Ecological Integrity in National Parks of Canada

A park management plan (see box for the planning process) is the key direction setting document for the maintenance or restoration of ecological integrity. Within this context, a management plan also provides direction on visitor services and heritage presentation in order to achieve both resource protection and visitor experience objectives.

How issues of ecological integrity are treated in management plans has evolved over time. The current emphasis on ecological integrity dates from the 1997 Banff Management Plan prepared in response to the 1996 Bow Valley Study. Subsequently, the ecological requirements

The Management Planning Process

The *Canada National Parks Act* requires that all national parks have a management plan approved by the Minister and tabled in Parliament within five years of park establishment, and that the plan be reviewed every five years. Management planning starts with the preparation of a scoping document that identifies the main issues to be addressed and the proposed time frame to complete the plan. The CEO of Parks Canada approves the scoping document and formal management planning is launched. Public consultations that may include issue identification, generation of solutions and reviewing of draft plans are required in all management planning. Once a plan is completed, it is submitted to the Minister for approval, on the recommendation of the CEO and in some cases the recommendation of other organizations. The process typically takes one to two years depending on the complexity of the issues involved.

of management plans were set out in the November 2000 *Parks Canada Guide to Management Planning* (**www.parkscanada.gc.ca**) and the October 2002 *Guideline for the Preparation of State of the Park Reports*. Under this regime, management plans must include comprehensive information on the state of the ecosystem and its significance, as well as ecological integrity objectives, indicators and a description of monitoring and reporting programs.

Currently, 32 of the 39 national parks have approved management plans. Three of these 32 management plans were approved by the Minister in 2002-2003, but have not yet been tabled in Parliament. Seven of the currently approved management plans are consistent with the 2000 guidelines for management planning.

Of the 32 approved management plans, 29 are overdue for completion of the five-year revision, up from 14 noted in the previous Annual Report. Twenty-seven parks are engaged in a planning process. Eight have completed their scoping documents and an additional ten plan reviews are nearing completion. In the case of two parks, local Aboriginal and community issues need to be resolved before proceeding with the planning process. All of the 27 parks currently engaged in planning are expected to finish the process by March 2007. Given current resources, Parks Canada finds it difficult to comply with the requirement to produce revised plans every five years.

The remaining seven national parks without an approved management plan (i.e., down three from the previous report) are all in various stages of planning. Three of these parks are being guided by interim management guidelines and one is a newly established park not due for a plan until 2003-2004.

As recommended in Parks Canada's Action Plan on Ecological Integrity, national parks are now required to prepare State of the Park Reports before launching a planning process. This five-year document reports on the state of the park's ecosystem, in the context of the greater park ecosystem, and on progress toward achieving the goals of the park management plan. Two reports were prepared by March 2003, one for Banff National Park of Canada and one for Fathom Five National Marine Park of Canada. Five more reports will be completed by March 2004. The majority of national parks (i.e., 28) are not expected to produce their first State of the Park Report until the April 2006 to March 2008 period.

Improving Ecological Integrity Indicators and Monitoring in National Parks of Canada

Parks Canada is committed to maintaining and restoring ecological integrity. The Agency recognizes three major ecosystem components: biodiversity, ecosystem functions and stressors. These three components are the basis for the Parks Canada ecological integrity-reporting framework shown in Figure 12.

Biodiversity, short for biological diversity, focuses on the natural variety of plant and animal species, and genetic variation within individual populations, which characterize the healthy park ecosystem. Ecosystem functions concern the normal processes of change over time within a park (e.g., rates of growth and decomposition, changes in the composition and age of the vegetation due to fire and other disturbances); these changes are expected to occur within an acceptable range of variation. Stressors concern those things, either within or from outside the park, that negatively affect both biodiversity and ecosystem functions within the park. Stressors may be global and long range

(e.g., climate change, long-range pollutants) or regional or local (e.g., regional land management practices around a park and road densities). Some stressors (i.e., disease in neighbouring animal populations) are specific to a few parks.

Performance Expectations

Improve the suite of ecological integrity indicators by March 2003.

Update reporting framework and expand monitoring system by March 2004.

Parks Canada is working to improve the quality and consistency of ecological integrity monitoring, by making its monitoring program more scientifically sound and more aligned to management goals. The aim is to develop sets of national, bioregional and park-level protocols and to reach a common agreement on a set of indicators for elements of the framework for all national parks.

Commitments to improve ecological monitoring were first laid out in the Agency's Performance Information Action Plan. The Action Plan targeted March 2004 for putting in place key

Figure 12: Ecological Integrity Reporting Framework

BIODIVERSITY	ECOSYSTEM FUNCTIONS	STRESSORS
Species Richness	**Succession/Retrogression**	**Human Land Use Patterns**
Change in species richness Number and extent of exotics	Disturbance frequency and size (fire, insects, flooding) Vegetation age class distributions	Land use maps, road densities, human population densities
Population Dynamics	**Productivity**	**Habitat Fragmentation**
Mortality/natality rates of indicator species Immigration/emigration of indicator species Population viability of indicator species	Landscape or by site	Patch size, inter-patch distance, distance from interior
Trophic structure	**Decomposition**	**Pollutants**
Size class distribution of all taxa predation levels	By site	Sewage, petrochemical, etc. Long range transportation of toxins
	Nutrient retention	**Climate**
	Calicum and nitrogen by site	Weather data Frequency of extreme events
		Other
		Park specific issues (e.g., disease in local animal populations)

elements of a comprehensive monitoring system applicable to all national parks. A review of the progress against the Action Plan (March 2003) found that while work had been undertaken on several specific commitments (see the 2001-2002 Annual Report for a summary of some key actions), overall progress was delayed by a least a year and potentially longer if no new funds were secured. During 2002-2003, new funding was secured in the Budget to devote to ecological integrity, including developing the monitoring and reporting program over the next several years. The year also saw completion of a database documenting the existing monitoring projects within national parks. These will be reviewed over the next year to assess their continued relevance for the national monitoring and reporting program and to improve the scientific basis of these measurements.

Parks Canada's short-term focus in building its monitoring and reporting program will be to obtain consensus on indicators for each national park tied to park management plan goals and providing important baseline ecological integrity measures as well as data for tracking performance against specific goals. The actual measurement of indicators may be local (e.g., the population viability of a particular species), specific to a bioregion (e.g., a species that several parks track in the same way) or national (e.g., road densities inside and outside parks). It is expected that each national park will have identified an initial suite of indicators by March 2004. This will support annual (March 2005/2006/2007) park-by-park reports on progress in developing and testing the new indicators, and implementation of a first suite of indictors should be largely completed by March 2008. A comprehensive and coordinated park monitoring program will be implemented across the system by March 2008. This information will form the basis of the State of Park Reports noted in the previous section.

Maintaining or Restoring Ecological Integrity and Species At Risk in National Parks of Canada

Although the monitoring and reporting program is not fully developed, Parks Canada does have a national picture of several aspects of its ecosystem-reporting framework. With respect to biodiversity, Parks Canada has a national database of species in parks recording the number of natural and exotic species, as well as those at risk or that have been lost. With respect to ecosystem functions, Parks Canada seeks to manage the extent of fire in many parks and tracks the extent of fire against historic average burn rates. With respect to stressors, Parks Canada has studied road density inside and outside all national parks over time and against thresholds of acceptable densities. Parks Canada is also engaged in managing other park specific stressors such as the threat posed by disease transmission from surrounding animal populations. Summary information on Parks Canada's efforts with respect to species at risk, fire as a ecosystem process, and road density and disease is presented below. More detail on these and other measures can be found in the *1999* and *2001 State of Protected Heritage Areas Reports* (**www.parkscanada.gc.ca**).

Biodiversity

Over 4,000 native species of plants and vertebrate animals are found in national parks, national historic sites and national marine conservation areas of Canada (72% of all species found in Canada). Of the species found in nationally protected heritage areas, 154 are considered to be species at risk (i.e., identified as being of special concern (69), threatened (44), or endangered (41) by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC)). Species at risk are found in almost all national parks and in several national historic sites, the majority in the southern parts of Canada.

Parks Canada, Environment Canada and Fisheries and Oceans Canada are the three federal government organizations responsible for species at risk found on federal lands, as well as migratory birds and aquatic species. Parks Canada's direct efforts include the development and implementation of the *Species at Risk Act*, taking an inventory of and monitoring species at risk to improve knowledge of the status of these species, and leading and participating in the development and implementation of single or multi-species recovery strategies for species found in national protected heritage areas (see box).

Over the last three years Parks Canada has invested over $1.8 million to fund 122 projects related to 60 species at risk in 38 protected areas.

Parks Canada is leading the development of recovery strategies for eight threatened or endangered species found exclusively, or almost exclusively, in national parks (e.g., the Banff Springs Snail, which is found only in five small springs in Banff National Park of Canada and nowhere else in the world). In 2002-2003, Parks Canada completed one recovery strategy (Banff Springs Snail), and was close to finalizing seven strategies (Blanding's Turtle (Nova Scotia population)), Eastern Massasauga Rattlesnake, Seaside Centipede Lichen, Haller's Apple Moss, Prickly Pear Cactus, Water-Pennywort, Pitcher's Thistle). All eight strategies are to be completed by March 2005. Although most strategies were not yet finalized in 2002-2003, recovery actions had already been identified and were being implemented (e.g., control of exotic invasive species, conservation genetics, studying human disturbance). Ultimately, recovery strategies are expected to influence factors such as the extent of favourable species habitat and the number of breeding pairs of a species within a given area.

Species Recovery Strategies and Action Plans

The *Species at Risk Act* (*SARA*) received Royal Assent in December 2002. *SARA* is a key federal government commitment to prevent wildlife species from becoming extinct and to identify the necessary actions for their recovery. *SARA* requires that recovery strategies be developed for all threatened, endangered and extirpated species listed in the legislation. A recovery strategy sets out population goals and objectives, determines broad approaches to respond to the known threats to survival, identifies the species' critical habitat, and sets time lines for the preparation of action plans. Action plans provide detailed activities (e.g., studies of habitat and population dynamics, programs to influence visitor and stakeholder behaviour, habitat restoration) and timelines leading to recovery of the species. In all cases, recovery strategies and action plans are developed in close cooperation and consultation with numerous stakeholders and regional authorities. Implementation of action plans and ultimately species recovery require many years of sustained activity.

Parks Canada is also developing recovery strategies and implementing action plans that address the conservation needs of several species on a broader ecosystem level. Work continued in 2002-2003 on developing multi-species recovery strategies and action plans for specific areas including three national parks (i.e., 42 extant species at Point Pelee National Park of Canada; 18 species at Grasslands National Park of Canada, and two species in the Garry Oak ecosystems covering both Gulf Island National Park of Canada and Fort Rodd Hill National Historic Site of Canada). These strategies will also be completed by March 2005.

In addition to taking the lead on the development of specific recovery strategies, Parks Canada representatives participated on recovery teams for over 30 additional species found in nationally protected heritage areas. More detail on the Parks Canada's species at risk program can be found on the Parks Canada Web site (**www.parkscanada.gc.ca**), and as part of the 2002-2003 Annual Report of the Recovery of Nationally Endangered Wildlife (RENEW) (**http://www.speciesatrisk.gc.ca/efforts/index_e.cfm**).

Ecosystem Functions

Many ecosystems have evolved as a result of fire. Over time, fire changes and rearranges the age and composition of vegetation within national parks and contributes to a healthy functioning ecosystem with greater biodiversity. In recognition of this, Parks Canada has been working toward restoring the historic fire cycle within national parks, taking advantage of naturally occurring lightening-ignited wildfires and using prescribed or controlled burns to approximate the historical record more closely. Parks Canada's ability to achieve this goal is constrained by the need to ensure the safety of people and assets both inside and outside national parks. These concerns limit when and where prescribed burns are undertaken and the extent of suppression of wildfires.

Of the 39 national parks, 22 have significant fire dependent components in their ecosystems, of which 18 have operating fire management programs.[4] For all of these parks, the historic average number of hectares burned per year has been determined based on fire history studies (e.g., a combination of physical fire evidence, historical accounts and vegetation age stand analysis). Over the last four fire seasons, the collective average burn is 24% of the historic average. At the individual park level, the average number of hectares burned has ranged from 0% to 71% of each park's historic average. Parks Canada's goal is to achieve 20% of the historic burn average over ten years. The goals and management of the fire program are being reviewed in 2003-2004.

Ultimately, fire serves as a means to influence the age structure and types of vegetation found in national parks. Developing measures of this fire outcome is being examined as part of the development of the ecological integrity monitoring program.

Stressors

Roads, ranging from major highways to fire roads in the backcountry, are the dominant type of human infrastructure in national parks. Their presence is strongly correlated with a host of other kinds of infrastructure (i.e., campgrounds, day use areas, hiking trails). Roads both within and around national parks can contribute to landscape fragmentation and reduced habitat range, higher levels of invasive species, and increased species mortality (i.e., road kill). Managing and mitigating the impacts of roads are important for reducing stress on the national park ecosystems. Some examples of mitigation measures and impacts on road kill are discussed in Service Line 5: Through Highways.

The density of roads within and outside a park can be measured from national topographical series maps produced by Natural Resources Canada. Parks Canada has calculated internal and external road densities (e.g., the number of kilometres of road per square kilometre or per 10,000 square kilometres of national park area), for the 39 national parks based on topographical maps from the 1950s and the

[4] A few historic sites also have a fire component to their natural environment.

1990s.[5] Not surprisingly, road density tends to be higher outside of national parks than inside the parks in both time periods, although there are several exceptions to this pattern. Internal road density has decreased in a few parks over the time period and the rate of increase in many parks has been slower than in the surrounding area. Parks Canada has not adapted a single critical threshold for road density in national parks. One review of the literature on this has suggested that an internal density of 0.6 to 1 kilometre of road per square kilometre of park represents a critical threshold for several mammal species.[6] Only two national parks (i.e., PEI National Park of Canada and Point Pelee National Park of Canada) currently have internal road density ratings that exceed this range of values. Road density is one of the indicators that Parks Canada will evaluate in 2003-2004 for use in its revised national monitoring and reporting program.

Disease is another class of stressors affecting specific national park wildlife that could have significant implications for ecological integrity and the Canadian economy. Bovine tuberculosis (TB) is a threat to the cattle industry and is found in bison in and around Wood Buffalo National Park of Canada, and in the wild elk and deer populations in and around Riding Mountain National Park of Canada, in Manitoba. Canada follows a strict surveillance and eradication program for this disease, which affects cattle, as well as farmed bison, elk and deer.

For Wood Buffalo National Park of Canada, a Federal Disease Steering Committee has been established, co-chaired with the Canadian Food Inspection Agency (CFIA) and Parks Canada, to work with other federal departments and the governments of Alberta and the Northwest Territories to jointly manage the bovine TB issue in that region. Aboriginal groups and First Nations from the area will be asked how they would like to participate in the management of this issue. In Riding Mountain National Park of Canada a similar multi-agency working group (i.e., Parks Canada, CFIA, the Government of Manitoba and the Manitoba Cattle Producers Association) has developed a TB Management Plan to address the issue. Under the plan, Riding Mountain is participating in a comprehensive program of disease surveillance, separating cattle and elk, wildlife management and research, and public education.

Parks Canada continues to manage periodic outbreaks of anthrax in bison in Wood Buffalo National Park of Canada. There have been eight outbreaks since 1963, most recently in 2000 and 2001. Anthrax is primarily a disease of livestock, but people who have been exposed to an infected carcass or to spores of the bacteria can contract human forms of the disease. Parks Canada works with CFIA and follows World Health Organization guidelines for the management of carcasses of animals killed by anthrax.

Parks Canada is also tracking and providing public education with respect to two other diseases: chronic wasting disease (CWD), and West Nile virus. CWD is a type of transmissible spongiform encephalopathy (TSE) currently only found in ranched elk and deer in Saskatchewan and Alberta with a few cases in free ranging wildlife. The disease,

[5] Topological maps for particular regions or areas are not all from the same year. To cover all of the sites for national parks meant using maps produced throughout the 1950s and 1990s.

[6] Forman, Richard & Hersperger Anna. (1996). Road Ecology and Road Density in Different Landscapes, with Internal Planning and Mitigation Solutions. In *Trends in Addressing Transportation Related Wildlife Mortality*. Evink, G.L., P. Garrett, D. Zeigler & J. Berry (Eds). Florida Department of Transportation. Tallahassee, Florida.

which attacks the central nervous system, is invariably fatal. It has not been recorded in a Canadian national park. West Nile virus attacks wild birds, mammals and humans, and is spread by mosquitoes. The virus appeared in the United States in 1999 and in Canada in 2001. In Canada the virus has been detected in Ontario, Manitoba, Saskatchewan and Quebec. The disease is spreading rapidly and has the potential to cause significant mortality in wildlife populations, including a range of wildlife species in and around several national parks.

Planning for Sustainable Use at National Marine Conservation Areas of Canada

The *Canada National Marine Conservation Areas Act* was passed by Parliament in November 2001 and proclaimed in June 2002. This *Act* sets out as a basic principle for the management of NMCAs that Parks Canada will work with the federal and provincial agencies responsible for fisheries management and with users of renewable marine resources to achieve ecologically sustainable use of the areas, while simultaneously setting aside zones that afford full protection to special features or sensitive elements of marine ecosystems. The legislation also includes a requirement for biennial state of marine conservation areas reporting.

A primary consideration of an NMCA is to ensure ecologically sustainable use of marine resources. At present, there is no reporting framework similar to the one for ecological integrity in national parks. However, assisted by funding provided by the NAFTA Commission for Environmental Cooperation, Parks Canada participated during 2002-2003 in an international project sponsored by the IUCN World Commission on Protected Areas, the World Wildlife Fund and the United States National Oceanic and Atmospheric Administration to develop globally useful Marine Protected Area Management Effectiveness Indicators (MEI). Saguenay–St. Lawrence Marine Park was one of 18 pilot sites involved in an international assessment of a draft MEI guidebook. The results of that project will contribute to continued work by Parks Canada during 2003-2004 toward a reporting framework for NMCAs. Additionally, Parks Canada's monitoring program sets targets for the development of a core set of marine ecological integrity indicators by March 2006, and draft monitoring protocols for core marine indicators by March 2008.

National marine conservation areas require management plans that set the direction to ensure sustainable use of marine resources. A management plan was approved in 1998 for Saguenay – St. Lawrence Marine Park, in Quebec, and tabled in Parliament in March 2000. The governing legislation for this marine park calls for a review of the plan at least once every seven years, with the next review scheduled for 2004-2005. The management plan for Fathom Five National Marine Park of Canada, in Ontario, was approved in 1998 and is scheduled to be revised by January 2005.

Commemorative Integrity at National Historic Sites of Canada

The family of national historic sites of Canada includes 148 which are administered by Parks Canada, and 743 which are owned and operated by individual citizens, heritage agencies, corporations, other federal government departments and other levels of government. Since the mid-1990s, Parks Canada has promoted the concept of commemorative integrity for all national historic sites. Commemorative integrity describes the health and wholeness of a site. It is achieved when:

- resources directly related to the reasons for designation as a national historic site are not impaired or under threat,

- the reasons for designation as a national historic site are effectively communicated to the public, and
- the site's heritage values are respected in all decisions and actions affecting the site.

Parks Canada's role and level of influence over the commemorative integrity of a site depends on whether it administers the site. For those sites it administers, Parks Canada is directly accountable for ensuring commemorative integrity by protecting and presenting the sites for the benefit, education and enjoyment of present and future generations. For sites it does not administer, Parks Canada encourages and supports other owners to protect and present them, but Parks Canada cannot directly control those actions. Figure 13 outlines the roles and responsibilities of Parks Canada with regard to sites it does and does not administer.

Planning for Commemorative Integrity at Parks Canada-Administered NHS

Commemorative Integrity Statements (CIS) and national historic site management plans are the basic direction-setting documents with respect to commemorative integrity at national historic sites administered by Parks Canada. The CIS identifies where value lies, what conditions must be met for the values and resources not to be impaired, and what should be done for the effective communication of reasons for national historic significance.

Performance Expectation

Complete commemorative integrity statements for 75% of the Parks Canada-administered sites by March 2002, 90% by March 2003, 100% by March 2004.

Figure 13: Parks Canada's Role Regarding Commemorative Integrity of NHS

Sites Administered by Parks Canada	Sites Administered by Others
• Protects resources directly associated with the reasons for national historic significance • Presents reasons for designation of the National Historic Site (onsite and outreach) • Manages cultural and other heritage resources	• Contributes funding for conservation and presentation, through National Historic Sites of Canada Cost-Sharing Program, to NHS not administered by the federal government • Provides access to professional and technical information. Supports efforts of national historic sites to form networks and alliances, particularly to share best practices and training opportunities
• Prepares Commemorative Integrity Statements (CISs) and Management Plans for each site and assesses state of Commemorative Integrity	• Provides funding for CISs and Conservation and Presentation Plans through the NHSC Cost-Sharing Program • Provides guidance on preparation of CISs
• Provides public access to NHS • Promotes awareness of NHS and system of NHSs	• Promotes awareness of NHSs and system of NHSs in publications and Internet/Schoolnet Web program

Performance Expectation
Obtain ministerial approval of management plans for 145 national historic sites by December 2003.

As of March 2003, 124 (84%) national historic sites had CISs, of which 98 were completed and 26 were in draft form. The Agency committed to completing CISs for its administered sites by March 2004, but has modified that target to March 2005.

Under the *Parks Canada Agency Act*, Parks Canada must provide the Minister with management plans for the national historic sites it administers. Management plans set forth the strategies and actions necessary to ensure the commemorative integrity of the site or sites covered in the plan, and are subject to review every five years. A CIS is required before a site can develop a management plan. In 2002-2003, the Minister approved five management plans covering five national historic sites administered by Parks Canada, bringing the total number of Parks Canada administered sites with approved management plans to 22 (15% of the 148 Parks Canada-administered sites).[7] Due to resource constraints, Parks Canada will not meet the target of having management plans in place for all of the national historic sites in administers by December 2003. A review of progress was undertaken in 2002-2003. Based on this, priorities will be set and revised targets established, where applicable, by March 2004. Management plans for all Parks Canada-administered sites will not be approved until March 2006.

Commemorative Integrity at Parks Canada-Administered NHS

The *Parks Canada Agency Act* states that it is in the public interest to ensure the commemorative integrity (CI) of national historic sites. Knowing the state of a site's CI allows informed decisions to be made about priority actions and investments, both locally and nationally. The process for assessing CI is described in the accompanying box.

Performance Expectation
Evaluate all 145 national historic sites the Agency administers by 2011, with 14 new evaluations conducted yearly.

Parks Canada has committed to evaluating the state of commemorative integrity at all 148 sites it administers between April 2001 and March 2011. Consistent with this expectation, 18 sites were evaluated in 2002-2003, following the 13 sites evaluated in 2001-2002.

In 2002-2003, sites with a completed CIS were selected to represent a range of locations, sizes, complexity of operations and themes. The schedule for evaluations was also modified in order to co-ordinate better with the field units' management planning schedules. It cannot be assumed that the sites are representative of other national historic sites administered by Parks Canada. Therefore, the samples of sites reviewed each year should not be used to infer any general changes in the resource condition, effectiveness of communication, or management practices of Parks Canada-administered national historic sites over time. The ratings of these 18 sites, along with the rating of the evaluated sites in the previous year are summarized in Figure 14.

[7] Parks Canada's expectation is to develop management plans for all the sites it administers. At the time the 2003-2007 Corporate Plan was written, Parks Canada administered 145 sites but this number has now grown to 148 sites.

How CI is Measured

Small multi-functional teams complete evaluations of commemorative integrity over a one to three day period. The teams include experts from the site, as well as the service centres and the National Historic Sites Directorate. The evaluation involves the completion of a detailed questionnaire based on the commemorative integrity statement for the site. The assessment focuses on:

- The condition of and threats to the resources based on information in existing asset inventory systems, and any work completed since the last formal condition assessment, as well as the expertise of the evaluation team in assessing the overall condition of the site and threats to the resources.
- The effectiveness of communication, based on the content of the presentation program, the media used and its effectiveness, and audience understanding of the messages. The assessment draws on surveys of visitors' understanding of key messages or local evaluations when these are available (see Service Line 3 on Heritage Presentation for more detail on the surveys) and expert judgment by the team on the quality and completeness of the presentation program.
- Whether management decisions and actions respect heritage values, based on an assessment of the degree to which the site is managed according to Parks Canada's Cultural Resource Management Policy. The site is assessed on the existence of complete inventories of resources, whether resources have been evaluated for their historical importance, the effectiveness of interventions, the existence of monitoring and review programs for the management of the resources, and whether adequate records are kept of decisions affecting the site. If appropriate management practices are in place, it is concluded that the site's heritage values are being respected in the decisions and actions affecting the site.

Examples of Ratings at Specific Sites

NHSC	Resource Condition	Communication	Management
L'Anse aux Meadows, Nfld.	good	fair	fair
Alexander Graham Bell, N.S.	fair	good	poor
Fort Henry, Ont.	poor	fair	poor

Ratings of Built Cultural Resource Condition at Parks Canada-Administered NHS

As noted in previous annual reports, Parks Canada has also collected condition ratings of built cultural resources for most sites it administers[8]. The condition ratings of built cultural assets (e.g., buildings, bridges, fortifications, marine works and grounds) shown in Figure 15 were last updated in 1999-2000.

About two-thirds of the assets shown in Figure 15 were rated in fair or poor condition in both reporting years. Assets rated fair require recapitalization to avoid failure of a major element in three to five years. Assets rated poor require intervention within two years. A rating of closed means the condition of the asset is so poor the integrity of the structure is in danger and may present health and safety concerns. These assets are not open to the public. Of concern is the fact that the percentage of assets in poor condition is growing.

Condition of Other Cultural Resources Managed by Parks Canada

In addition to the national historic sites discussed in the previous section, Parks Canada is also responsible for managing and protecting a large number of archaeological sites, and archaeological and historical objects. These resources may be found at national historic sites, within national parks, or housed in collections maintained by Parks Canada Service Centres. Parks Canada has reported on the condition of many of these resources in

Figure 14: Number of NHS Rated As Good, Fair or Poor on Three Elements of Commemorative Integrity (April 2001 to March 2003)*

Ratings	Resource Condition		Effective Communications		Management Practices	
	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002
Good	4	5	1	3	0	7
Fair	9	7	10	5	13	5
Poor	5	1	7	5	5	1
Total	18	13	18	13	18	13

Figure 15: Rating of Asset Condition of Built Cultural Resources at NHS Administered by Parks Canada as a Percentage of Total Number of Assets

	Good	Fair	Poor	Closed
1999-2000 (n=1223)	34%	41%	21%	4%
1997-1998 (n=952)	33%	50%	14%	3%

*This is one element of the resource condition dimension of commerative integrity.

previous *State of the Parks Reports* (See *the 1997 State of the Parks Report* for the most recent example). However, following the *1999-2000 Annual Report*, Parks Canada recognized the need to build a system to report more accurately and consistently on the condition of these cultural resources.

In the *2000-2001 Annual Report*, completion of a structure to address the need for consistency in reporting cultural resource information at a national level was targeted for March 2003. Work has progressed on this initiative; however, the timeline for completion of the reporting structure has been modified. Working definitions and a national database for historic objects are in place, providing core data of national interest. Work has also begun on a national collections management directive that will provide guidance on items such as mandatory data fields, acquisition and deaccessioning of resources resulting in changes to inventories, cycles for reviewing asset condition, and reinforcement of the need to determine whether a resource is of national or regional importance. An approved directive is expected by March 2005.

Working definitions for archaeological resources and standards to identify and catalogue the information contained in existing databases were expected to be in place in March 2003. Because these issues generated a significant level of analysis and consultation within Parks Canada, the definitions and standards will not be finalized until March 2004. This work will be integrated with the procedures and protocols for the management of archaeological resources and historic objects under the national collections management directive noted above. As well, Parks Canada began work in 2002-2003 on the identification of core information for both national reporting and internal management purposes (e.g., number and location of sites, level of protection under cultural resource management policy, number and location of objects, and the percentage of catalogued/uncatalogued artifacts). Testing of standards and procedures will occur over the next two years and a final draft will be completed by March 2006.

Commemorative Integrity of National Historic Sites Not Administered by Parks Canada

Parks Canada seeks to encourage and support other owners in ensuring the commemorative integrity of the national historic sites it does not administer. Parks Canada does so through the provision of information on best practices and access to professional and technical information and training. Parks Canada's primary tool to assist owners and operators of non-federally administered national historic sites is the National Historic Sites of Canada Cost-Sharing Program. The program was established in 1987. While working on specific conservation and/or presentation projects, Parks Canada seeks to increase site owners' and managers' awareness and understanding of commemorative integrity and have them integrate the concept into their future decision-making about the site. Parks Canada has not set targets related to the commemorative integrity of sites it does not administer, and has not measured the CI of these sites.

As of March 2003, Parks Canada had entered into 60 cost-sharing agreements with 53 national historic sites since 1987. No new cost-sharing agreements were signed in 2002-2003 due to a lack of funds. The 60 cost-sharing agreements represent a total investment of approximately $26.6 million over the life of the program. Of the 60 agreements, 9 were active in 2002-2003, a decrease of four from the previous year.

The waiting list of national historic sites with written notification from the Minister that they are eligible for a cost-sharing agreement was reduced from 64 to 63 sites in March 2003[9]. No national historic sites were added to the list in 2002-2003. Based on the historic average costs per agreement, the waiting list of 63 sites represents an approximate commitment of $30 million. Given current funding levels, the program can make little progress in reducing the number of sites on the waiting list. Parks Canada is seeking additional funding for the program in order to deal with the highest priority sites.

One means of promoting commemorative integrity of sites not administered by Parks Canada is through assisting their owners/operators in completing a commemorative integrity statement for their sites. For example, the owners/operators of national historic sites not owned by the federal government may apply to the National Historic Sites of Canada Cost-Sharing Program for funds to complete a CIS. In the absence of new agreements under this program, Parks Canada has provided advice and support to national historic sites wishing to undertake the development of a Commemorative Integrity Statement. In 2002-2003, ten more such sites had CISs approved (bringing the total to 63). As of March 2003, 26 additional non-Parks Canada-administered sites had draft CISs pending approval. These sites are split 46% and 54% between those participating in the Cost-Sharing Program and those that have not participated in the program. Demand for the program continues to grow. In 2002-2003, Parks Canada received requests for funding from a further 25 eligible national historic sites. Requestors are informed that the National Historic Sites of Canada Cost-Sharing Program is fully subscribed and not open to applications until new program funds are secured. Owners of all non-federally administered national historic sites will be notified when the program is able to consider applications.

[9]The HMCS *Haida* National Historic Site of Canada was removed from this list when Parks Canada acquired ownership of the site in March 2003.

HERITAGE PRESENTATION

Description and Expenditures

Heritage presentation activities increase the public's awareness and understanding of Canada's cultural and natural heritage and build appreciation and support for Canada's national parks, national historic sites and national marine conservation areas. Expenditures for the service line were:

(In thousands of dollars)		2002-2003	2001-2002
OPERATING (not including amortization and net loss on disposal)	Salary	36,222	35,516
	Other	15,469	13,705
	Total	51,691	49,221
CAPITAL		6,661	5,668

This service line represents 10% of total Parks Canada operating expenditures during the last two years. In 2002-2003, there was a significant year-end investment of $1.7M in the Historic Places Initiative. Capital expenditures of note in 2002-2003 included approximately $1.3M to prepare the Canadian Marine Discovery Centre, $1.2M for work at the Fortress of Louisbourg National Historic Site of Canada, and $850,000 for an interpretation centre at the Lachine Canal National Historic Site of Canada.

Strategic Objective	Planned Results	Performance Expectations
Ensure that commemorative and ecological integrity values are understood and supported by Parks Canada's stakeholders and the public.	Increased awareness of, understanding of and support for the values of national parks and national historic sites.	• Performance framework for *Engaging Canadians* to be developed by fall 2002 • Utilization and understanding targets for on-site presentation to be reviewed in 2002-2003 • Satisfaction with heritage presentation products and services: 85% overall satisfied, 50% very satisfied

Initiatives and Achievements

Heritage presentation includes interpretation and outreach activities aimed at educating the public about the significance of particular national parks and national historic sites, building awareness and understanding of national parks, national historic sites, and national marine conservation areas systems as a whole, and building support for Parks Canada's heritage conservation values. On-site heritage presentation makes use of brochures, pamphlets and signage, as well as activities such as self-guided or facilitated walks and exhibits, and audio-video presentations. Local off-site outreach includes talks given to a variety of schools and community groups. National outreach activities include the Parks Canada Web site, efforts to introduce Parks

Canada content into provincial and territorial school curricula, and use of mass media programming such as television to showcase national parks and national historic sites (e.g., CG Kids, History Lands).

Almost all of the heritage presentation expenditures (e.g., about 97%) take place locally. There are an estimated 670 full-time employees engaged in heritage presentation activities and an additional 275 seasonal employees who provide presentation activities during the summer.

Engaging Canadians

Parks Canada's efforts to influence visitors' and others' awareness, understanding and support involve not only traditional heritage presentation but also include a variety of other external communications activities (e.g., press releases, ceremonies and events, speeches, and on-going work with industry, tourism and community groups), all of which afford an opportunity to promote awareness, understanding and support of Parks Canada and its mandate, challenges and values.

Performance Expectation
Performance framework for Engaging Canadians to be developed by fall 2002

In 2001-2002, Parks Canada consolidated all its external communications activities, including heritage presentation, into a single strategy called *Engaging Canadians*. The strategy identifies overall goals, key target audiences, messages and innovative ways to reach audiences in order to better coordinate and manage external communications activities. Parks Canada committed to developing a performance-reporting framework for external communications with a particular focus on the measurement of national level reach, satisfaction and understanding, by March 2002. A draft of the framework was completed by March 2003, a year later than originally expected, due to resource constraints and difficulties in reaching consensus on outcomes and measures. A final framework is now expected in fall 2003.

In the absence of a performance framework, Parks Canada continues to collect information relevant to awareness and understanding of and support for the values of national parks and national historic sites. Parks Canada, as an organization, values the protection of the natural environment, wildlife and habitat, and increased awareness of Canadian history by Canadians. Parks Canada wants Canadians to view the natural environment and Canadian history as important parts of our national identity and to endorse the view that learning about the environment and Canadian history has a positive impact on the quality of their lives. Parks Canada has assessed support for these values as part of its public opinion polling (see box). Some representative results are summarized in Figure 16.

The Parks Canada Public Opinion Poll

In March 2002, Parks Canada conducted a public opinion survey as part of its approach to measuring national-level awareness, understanding and support. The telephone survey obtained responses from 5,202 Canadians 18 years and older. Completed interviews were obtained from 12% of eligible households. This rate is considered typical for the industry, although it may not lead to a representative sample. A copy of the complete report can be obtained by contacting, Manager Market Research, External Relations Branch, Parks Canada, Gatineau, Quebec K1A 0M5

A majority of respondents clearly value the natural environment and Canadian history as important aspects of their national identity and think these aspects have a positive impact on the quality of their lives. Many more tend to view the natural environment as an important issue facing Canada. It should be noted, however, that a similar or greater percentage of Canadians rated issues such as the health care system, education, water quality and the economy as important. In addition, when specifically asked to trade off investments in Parks Canada with investments in either the military, education, or health care, only minorities of respondents (between 15% and 33%) give priority to investing in Parks Canada. Therefore, while a majority of Canadians clearly share some of Parks Canada's values related to protection and promotion of the environment/habitat and awareness of Canadian history, their support for these is tempered by commitments to competing values and priorities.

A critical question for Parks Canada as it finalizes its performance framework for *Engaging Canadians* will be to determine which potential indicators of awareness, understanding and support can best serve as key tracking tools over time, and what levels of public awareness and support for Parks Canada's program and values are reasonable and desirable.

Parks Canada's On-Site Heritage Presentation Programming

Visitors' use of and satisfaction with heritage presentation products and services, as well as their understanding of the national significance of the parks and sites they visited are assessed as part of Parks Canada's Visitor Information Program. This program also assesses visitors' general satisfaction with their visit experience as reported in Service Line 4: Visitor Services.

In 2002–2003, 15 locations participated (three national parks, eight national historic sites, and four historic canals). Response rates (i.e., the percentage of visitors approached to participate in the survey who returned questionnaires) varied from 40% to 73% in the three national parks (average 53%)[11],

Figure 16: Percentage of Survey Respondents Supporting Parks Canada Values

Natural Environment	Canadian History[10]
• 84% disagree or strongly disagree with the statement that "the natural environment is not an important part of our national identity"	• 85% disagree or strongly disagree with the statement that "Canadian history is not an important part of our national identity"
• 85% agree or strongly agree that "learning about Canada's natural environment has a positive impact on the quality of their lives."	• 74% agree or strongly agree that "learning about Canadian history has a positive impact on the quality of their lives"
• 71% of respondents rated the "natural environment" and 60% rated "wildlife and habitat" as important issues facing Canada	• 34% of respondents rated "awareness of Canadian history" as an important issue facing Canada

[10] In the French language survey, "Canadian history" was translated as "Le patrimoine canadien", which may have caused some variation in responses. In general, those who responded in French to the survey were 14 to 18 percentage points less favourable to these statements than those who responded in English.

[11] All average percentages for groups of locations (i.e., parks, national historic sites, canals) are calculated by simply averaging location specific percentages.

between 53% and 83% in the eight national historic sites (average 71%), and between 36% and 85% in the four historic canals (average 54%).[12] These response rates compare favourably to the overall response rate of 26% for the 2002 season of the National Parks System Visitor Surveys in the United States (**http://www.nps.gov/socialscience/waso/napa01.pdf**). It should be noted that the U.S. National Park Service uses very different survey methodology than Parks Canada.

The Visitor Information Program

Parks Canada's Visitor Information Program aims to conduct a survey every five years, starting in 2000, at all national parks and national historic sites, where there are a sufficient number of visitors (i.e., 116 locations out of 193). These 116 locations account for 95% of the recorded visits to national parks and national historic sites. The number of locations conducting surveys over the last three years is shown below along with the percentage of recorded visits to Parks Canada at the locations surveyed.

Year	Number of Participating Locations	% of Eligible Locations (n=116)	Participating Locations % of Recorded Visits
2002	12*	10%	9%
2001	31**	27%	17%
2000	27***	23%	53%
Total	70	60%	79%

* 15 locations participated this year but three overlap with sites surveyed in the previous two years.

** Two locations were grouped so that only 30 survey results were reported in the 2001-2002 Annual Report

*** 27 locations participated this year, representing 22 surveys due to grouping of locations and one survey completed but not reported in the 2000-2001 Annual Report

It should be noted that some locations exclude some visitors from the target groups for the survey (e.g., visitors who arrive on bus tours, in the case of canals only surveying land-based visitors and not boaters). In addition, the locations surveyed in any particular year are not necessarily representative of other national parks, historic sites and canals.

In order to control potential misleading results due to the refusal to accept or failure to return a survey, all visitors who are approached to participate in the survey are asked to respond to a few questions. The characteristics of those who return surveys are then compared to those who do not participate or do not return surveys. In all cases, where the groups differed, survey results were weighted to more accurately reflect the specific population of visitors of interest at the park or site.

[12] Response rates for historic canals are based on three sites. The rate was not determinable at one site.

Measuring Use of Heritage Presentation

Visitors may be asked to rate their satisfaction with specific heritage presentation products or services (e.g., visitor centre exhibits or displays), or aspects of interpretation activities (e.g., clarity of interpretation panels, length of presentations) or availability of services (e.g., number of activities offered). The specific questions vary by the site surveyed. All visitors are asked to rate their overall satisfaction with the interpretation services they have used. In the 2000-2001 Annual Report users were defined as visitors who rated at least one heritage presentation product or service. In the 2001-2002 Annual Report, users were defined as those who responded to a question on their overall satisfaction with HP programming. Typically, visitors who provide an overall rating of HP products and services used (i.e., 67% of visitors on average in 2002) are a subgroup of the visitors who provide a rating of at least one product or service (87% of visitors on average in 2002).

Use

A user of heritage presentation products and services is defined, in 2002-2003, as any visitor who provides a rating of their satisfaction with any heritage presentation product or service, or a rating of their overall satisfaction with heritage presentation products and services at the time of their current visit.[13] Across all the locations surveyed, on average 87% of the visitors were identified as users of at least one heritage presentation product or service (range 49% to 100%) with the average users using 3.9 products or services.

Performance Expectation

Utilization targets for on-site presentation to be reviewed in 2002-2003.

There were on average as many users of these products and services in the participating national parks (94%) as in national historic sites (92%) and a somewhat smaller percentage (76%) at historic canals. Consistent with previous reports, the average number of products and services used ranged from 4.8 at national historic sites to 3.2 in national parks and 2.6 at historic canals. At this time, the Agency is not considering setting targets for the percentage of visitors who should use heritage presentation products and services.

Satisfaction

Parks Canada began measuring overall satisfaction with heritage presentation activities in the 2001-2002 season. Expectations for satisfaction were developed by Parks Canada researchers based on their previous experience with visitor surveys in national protected areas and published research.[14] Very satisfied visitors are the most loyal, demanding and responsive to changes in service delivery. Tracking the level of satisfaction of this group can serve as an early warning sign of required actions. Prior to the 2001-2002 season, the original standard of 40% very satisfied users was increased to 50% since virtually all sites were meeting the original standard.

[13] The current measure does not show whether visitors have previously visited the site and used heritage presentation products or services.

[14] See for example Jones, Thomas & Sasser, W. Earl, *Harvard Business Review*, Nov/Dec95, Vol. 73, Issue 6

The results for the 2001 and 2002 season are shown in Figure 17.[15] Most visitors at most sites (13 out of 15) are satisfied with the heritage presentation activities and products. At least 50% of the HP users are very satisfied in 14 of the 15 sites.

Performance Expectation

Parks Canada expects 85% of users at each location surveyed should be at least satisfied and that 50% should be very satisfied with heritage presentation overall.

Understanding

Parks Canada is responsible for conveying to visitors the unique cultural, historical, and/or natural features that each national historic site or national park protects and presents. Success in conveying these messages is assessed by asking visitors to respond true or false to six factual statements about the reasons the park or historic site is significant. Those who understand more about the park or site should provide more correct answers.

On average, visitors are likely to be able to respond correctly to three of the six factual statements simply by guessing. For this reason, Parks Canada has focused on the percentage of visitors who answer at least four of the questions correctly as its key indicator of the level of understanding. In the last three years, between 90% and 93% of the visitors have provided a response to at least four of the true or false statements (i.e., 91% in 2002-2003). Of those who responded to four of more questions over the last three seasons, between 63% and 76% have provided four or more correct answers (i.e 63% in 2002-2003). Results for each of the 15 locations surveyed in 2002 are shown in Figure 18.

In general, visitors at those national historic sites that are not historic canals or waterways, tend to provide more correct answers about the significance of a site compared to visitors in national parks or canal or waterway national historic sites (i.e., average 4.3 correct responses at national historic sites, compared to 3.9 at national parks and 3.2 at historic canals).

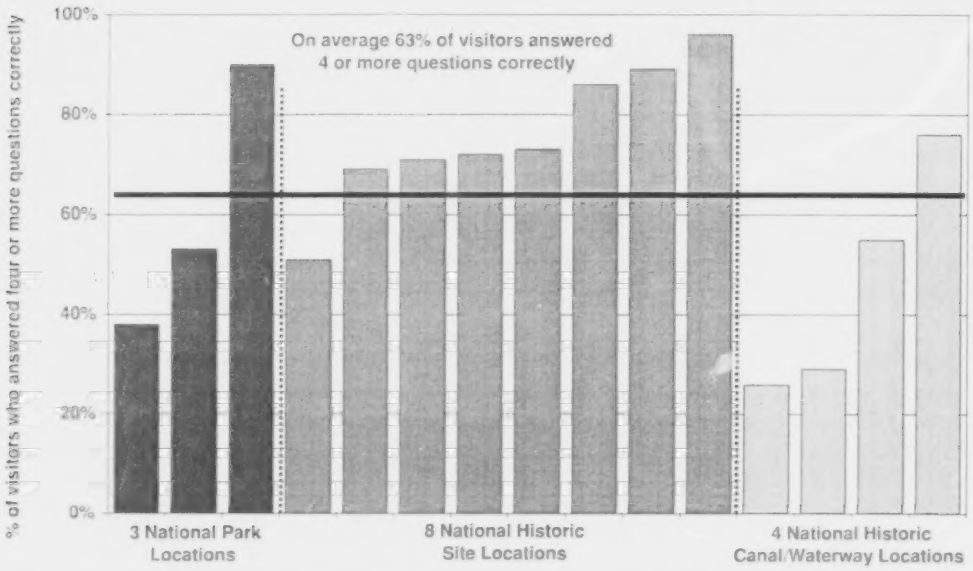
Visitors' knowledge of a site's significance may be due to Parks Canada's heritage presentation activities either on or off-site and/or to prior knowledge and experience unrelated to Parks Canada. Comparisons, based on the surveys from the last three seasons, of the level of understanding of the national significance of the location visited, by those who use HP products and services during their visit and those who don't use them, have not shown any consistent and robust differences. In short, a majority of visitors, whether they were HP users at the time of their visit or not, tend to answer at least four of the six understanding questions correctly. There are several possibilities that may account for this result including limitations of

Figure 17: Number of Sites Meeting Satisfaction with Overall Heritage Presentation Standards

	2002 (n=15)	2001 (n=30)
85% of visitors satisfied	13	29
50% of visitors very satisfied	14	25

[15] This question was not asked in the 2000 season.

Figure 18: Percentage of Respondents Who Correctly Answered Four or More Questions About the Significance of a Park or Site



the measures of use and/or understanding and the possibility that use of HP products and services at the time of the visit may relate to understanding for first-time visitors but not for repeat visitors. Parks Canada will continue to investigate and report on these and other possibilities in future Annual Reports.

A target that 75% of visitors should answer four or more of the questions correctly has been proposed for further management discussion. Most locations surveyed in either 2001-2002 or 2002-2003 did not meet this national target (i.e., 68% in 2001-2002 and 63% in 2002-2003). Parks Canada is still considering the financial and practical implications before committing to a target.

Performance Expectation
Understanding targets for on-site presentation to be reviewed in 2002-2003.

VISITOR SERVICES

Description and Expenditures

This service line includes activities necessary to provide access, recreational opportunities, public safety, visitor reception, orientation and information, and related law enforcement services. These activities include visitor service centres, publications on-site information and trip planning, gateways and entrance fees, camping services, canal recreational services search and rescue, front country trails and marketing of Parks Canada. Expenditures for the service line were:

(In thousands of dollars)		2002-2003	2001-2002
OPERATING (not including amortization and net loss on disposal)	Salary	99,124	94,482
	Other	55,442	53,993
	Total	155,566	148,475
CAPITAL		12,700	14,132
REVENUE		18,487	16,753

This service line represents 29% of total Parks Canada operating expenditures in the last two years. Notable increases in operating expenditures in 2002-2003 include $1.7M related to Lachine Canal operations, $1.1M increase in insurance premiums and $1.4 M increase in uniform costs.

Capital expenditures in 2002-2003 include $650,000 for an access road and visitor centre at Bruce Peninsula National Park of Canada and Fathom Five National Marine Park of Canada, $694,000 on Johnson Canyon Trail in Banff National Park of Canada, $877,000 on bridge work in the Lachine Canal, and $823,000 on Radium Hot Springs renovations in Kootenay National Park of Canada. In 2002-2003, revenues from entrance and camping fees increased due to a greater number of person-visits and higher entrance fees.

Strategic Objective	Planned Results	Performance Expectations
To provide visitors at national parks, national historic sites, and national marine conservation areas with services to enable them to safely enjoy and appreciate there heritage places, while ensuring that the associated levels of impact on resources are minimized.	Manage visitor expectations and use to ensure visitor satisfaction and minimize impacts on natural and cultural resources.	• Expand visitor impact indicators by March 2004 • Establish public safety framework by September 2002 • Visitor service satisfaction targets: 85% overall satisfied, 50% very satisfied

Initiatives and Achievements

Visitor Impacts

Parks Canada is working with those who market and use protected heritage areas to ensure they understand the purpose of Parks Canada, and to influence or involve them in attracting the right number of visitors to the right places at the right times with the right expectations. These collaborative efforts and other initiatives contribute to minimizing the impact of visitors on the resources that are entrusted to Parks Canada's stewardship.

At present, little is known about the impacts of visitors on national parks and national historic sites. Parks Canada has some information on how many visits take place and at what times of the year, but does not have a consistent national picture of which locations people visit within these places (i.e., their spatial distribution) and the physical, biological and social impacts of these visitors. Tourism and visitor facilities were the most commonly reported stressor by Parks Canada managers in the *1997 State of the Parks Report* (26 of 36 national parks reported this stressor).

To address this issue, Parks Canada committed in its Performance Information Action Plan to develop a results framework for the impacts of visitors by March 2004. The work is focusing first on visitor impacts on national parks in line with work on the overall ecological integrity monitoring and reporting framework described in Service Line 2. Completion of the first phase of the framework, involving reviewing and summarizing existing and potential indicators, developing a draft framework, and testing it with a sample of practitioners, is delayed by a year until March 2005. As a result, the final framework, including development of protocols for data collection, analysis and reporting in all field units will be completed by March 2006 for national parks, two years later than originally scheduled. Data collection will begin in 2006-2007. Similar work on a human use framework for national marine conservation areas is expected to take place between 2006 and March 2008. This will be followed by work on a human use framework for national historic sites in 2008-2009.

Performance Expectation
Expand visitor impact indicators by March 2004.

The key information that is available concerns person-visits to national parks and national historic sites. This information provides context for understanding the extent of visitor impacts.

At some smaller sites, the number of person-visits and the time of year when they occur is counted. However, the fact that many national parks and national historic sites have multiple uncontrolled points of entry makes a precise count of the number of visitors at most locations impossible. In these cases, the number of person-visits must be estimated based on, for example, the counts of vehicle traffic in the park or site and periodic surveys. The surveys identify the average number of people travelling by vehicle, the reasons for visiting, and the number of people re-entering the park on the same day. Similar kinds of surveys can be undertaken at the places where visitors arrive on foot (e.g., the Forks National Historic Site of Canada in Winnipeg, or the Fortifications of Quebec in Québec) or by boat (Rideau Canal, Ontario).

Person-Visits

Persons entering onto lands or marine areas within a reporting unit for recreational, educational or cultural purposes during operating hours are counted as person-visits. Through traffic, commercial traffic, persons residing within a reporting unit, staff, military training activities, and traditional indigenous subsistence activities are all excluded from the person-visit count. In addition, persons re-entering on the same day, and persons staying overnight in a reporting unit do not constitute new person-visits.

As part of its Performance Information Action Plan, Parks Canada committed to improving, by March 2004, its procedures for estimating the number of person-visits, particularly at the 20 parks or sites that attract 80% of visits. Each location is expected to have a methodology that:

- leads to at least moderate confidence in the data,
- has been reviewed and updated, if necessary, within the last five years, and
- provides data for its whole operating season.

As of March 2003, 9 of 20 sites meet all three of these criteria (16 reported methodologies that provided at least a moderate level of confidence in the data, 11 had been subject to review and updating since March 1998, and 17 provided data for the whole operating season). The major issue is the frequency with which sites' methodologies can be reviewed and updated. Some of those which have not yet been reviewed are scheduled for reviews in 2003-2004, but not all 20 locations will satisfy all three criteria by March 2004.

The estimates of total person-visits at all national parks and national historic sites have remained fairly stable over the last five years, with between 25.7 and 27.7 million person-visits per year, roughly 10 to 11.3 million at national historic sites and 15.7 to 16.4 million at national parks. In 2002-2003, it is estimated that there were approximately 27.7 million person-visits, the highest number of visits yet recorded (i.e., 16.4 million in national parks and 11.3 million in national historic sites).

Public Safety

Consistent with its performance expectation, Parks Canada prepared an evaluation framework for its public safety program by September 2002. The framework describes the program, identifies areas where better performance and program management information are needed, and suggests future evaluation issues and a timetable for conducting an evaluation. An evaluation of public safety programming in Parks Canada will take place in Fall 2003.

Performance Expectation
Establish public safety framework by September 2002.

As part of developing better performance and program management information, a national electronic Occurrence Tracking System (OTS) for recording public safety occurrences, as well as law enforcement and other resource management information has been developed. As of March 2003, the OTS was being pilot tested across the country, and sites were being trained in its use. Training is expected to be completed by March 2004, and the system will be capable of generating public safety data across the country for analytical purposes by March 2005.

Given that historic public safety data is yet to be entered in the OTS, analysis and reporting of national public safety information is not possible at this point. However, local data is available for analysis of certain public safety occurrences. For example, 2002-2003 saw a sharp increase in the number of avalanche deaths in western Canada. There were 28 avalanche fatalities in British Columbia and Alberta, of which eight occurred in two of the national parks in two separate incidents. Overall, in spite of a significant growth in the number of backcountry users, the average number of annual avalanche fatalities in national parks has ben 4.5 over the past 28 years, within a range of zero (in 1991) and 12 (in 1995). Parks Canada will continue to promote the safety of visitors who participate in winter backcountry use.

Satisfaction of Visitors

Parks Canada uses a variety of mechanisms to monitor visitor expectations and satisfaction with the services it delivers, and to make changes to services within the overall context of the Government of Canada's commitment to improve quality of service to Canadians (see section below on Quality Services in Consolidated Reporting). These mechanisms include consultation sessions undertaken for management plans, local advisory committees and co-management boards, comment cards completed by visitors in the park, and the program of visitor surveys. Visitor feedback from detailed survey questions as well as comment cards and other consultation mechanisms has led to a number of changes in the service offer over the years. For example, in 2002-2003, based on visitor feedback, contract requirements were altered to respond to visitor perceptions of quality of service at a golf course, changes were made to the content and location of signage in a national park, and changes were made to the content of heritage presentation programming at a national historic site in order to better communicate its national significance.

As noted in service line 3, visitor surveys were carried out in 15 locations (three national parks, eight national historic sites and four historic canals/waterways) during the 2002 season. Results from these surveys do not apply to other national parks, national historic sites or historic canals, and only apply to the specific visitor groups at each site who participated in the survey.

Visitors are asked to rate their satisfaction with several aspects of their visit on a five-point scale ranging from one, very satisfied, to five, not at all satisfied. Results for the last three seasons are shown in Figure 19.

Performance Expectation

Parks Canada expects that 85% of the visitors at each park, site or canal will rate their overall visit as at least satisfactory and that 50% will be very satisfied with their visit.

Visitors, whether at national parks (91% on average) or national historic sites (96% on average), including historic canals, tend to rate their overall visit as satisfactory and at least half of them at most locations (13 out of 15) rate their visit as very satisfactory. This is consistent with results of previous national surveys of the perceived quality of government services (e.g., *Citizen First* 1998: **http://www.ccmd-ccg.gc.ca/research/publications/complete_list_e.html**; and *Citizens First 2000*: **http://66.201.75.46/english/new/citizens.htm**, where the quality of service in national parks was among the highest rated of any federal government services. High levels (upward of 90%) of visitor satisfaction with facilities, services and recreational opportunities are also typically found in

surveys conducted by the U.S. National Parks Service (**http://www.nps.gov/socialscience/waso/napa02.pdf**). In general, surveys of clients and recipients of government services in the United States find that federal services pertaining to benefits, public information and recreational land use obtain high satisfaction scores (American Customer Satisfaction Index, Government Satisfaction Scores, December 16, 2002, (**http://www.theacsi.org/government/govt-02c.html**)).

Most visitors to Canada's national parks and national historic sites are satisfied or very satisfied with staff courtesy and with service in the official language of their choice. In 2002-2003, the number of complaints received by the Commissioner of Official Languages regarding language of service was 17, compared to 9 each in the two previous years and 17 in 1999-2000. All 17 complaints received in 2002-2003, as well as the 35 received between 1999-2000 and 2001-2002, were founded. Corrective measures were taken following receipt of each complaint and further analysis of all the complaints has resulted in Parks Canada reinforcing with managers its obligations under the *Official Languages Act* in regard to service agreements with third parties and advertising job opportunities.

Those areas where the standards were not met follow the pattern noted in the *2001-2002 Annual Report*. Visitors to national parks were less likely to rate the visit as a satisfactory or very satisfactory learning experience (i.e., national parks account for all the sites were the standard was not meet). In contrast, visitors at national historic sites, other than historic canals, were less likely to rate their visit as a satisfactory recreational experience (i.e., in 2002-2003, five national historic sites did not meet these standards). Three national parks and three historic canals did not meet the 85% satisfaction target for value for entrance fee,[17] and one national park did not meet the 50% satisfaction target in this area. Those parks or historic sites that did not meet the standard were sometimes very close to the standard (e.g., 1% or 2% below the standard for overall satisfaction with visit) although in other cases there was a wider gap (e.g., 15% below the standard of 50% of visitors very satisfied with value for money at one location).

Figure 19: Percentage of Locations Meeting or Exceeding Targets that 85% of Visitors Should be Satisfied (S) and 50% Should be Very Satisfied (VS).

SEASON	Overall Visit		Staff Courtesy		Language of Service		Learning Experience		Recreational Experience		Value for Entrance Fee[16]	
	S	VS	S	VS	S	VS	S	VS	S	VS	S	VS
2002-2003 (n=15)	100	87	100	100	93	100	87	93	67	67	53	87
2001-2002 (n=30)	100	100	100	100	100	100	90	90	90	83	80	93
2000-2001 (n=22)	100	95	NA	NA	100	100	82	73	68	68	86	95

[16] This question was not asked at one location in 2002.

[17] For canals, entrance fee may have been replaced with parking fee, lockage fee, mooring fee, etc.

Part 2: Mandate Support

Mandate support activities are not part of Parks Canada's core mandate, but are of significant public interest (e.g., townsites and highways) or support the work of other service lines (e.g., Parks Canada management and people management).

TOWNSITES

Description and Expenditures

This service line includes all activities related to the Parks Canada Agency's management of communities within national parks, including provision of drinking water, snow removal, garbage pick up and disposal, sewage treatment, road and street maintenance, and fire services. Parks Canada is directly responsible for managing five small townsites in national parks with permanent populations ranging between 100 and 7,700. The townsites include Field in Yoho National Park of Canada, in British Columbia; Lake Louise in Banff National Park of Canada, in Alberta; Wasagaming in Riding Mountain National Park of Canada, in Manitoba; Waskesiu in Prince Albert National Park of Canada, in Saskatchewan; and Waterton in Waterton Lakes National Park of Canada, in Alberta.

The Banff Townsite in Banff National Park of Canada has been self-governed since 1990, under a federal-provincial agreement, and is not directly administered by Parks Canada. In 2001, an agreement on self-governance for Jasper Townsite in Jasper National Park of Canada, under a model where Parks Canada retains authority for land-use planning and development, was announced. Jasper began operating under its new authorities in April 2002. Expenditures for this service line were:

(In thousands of dollars)		2002-2003	2001-2002
OPERATING (not including amortization and net loss on disposal)	Salary	4,228	3,797
	Other	3,770	7,430
	Total	7,998	11,227
CAPITAL		3,672	4,920
REVENUE		2,247	3,355

This service line represents 2% of total Parks Canada operating expenditures during the last two years. Operating expenditures in this service line decreased significantly due to a transfer of $2.2M of Jasper's municipal services, and receipt of $1.6M Grants and Contributions in 2001-2002. There was also a significant decrease in townsite revenues resulting from Jasper becoming a self-governed municipality. Significant capital projects in 2002-2003 include $2.2M for sewage treatment projects in Lake Louise, $560,000 for a sewage lagoon in Waskesiu and $148,000 for sewer upgrade in Wasagaming.

Strategic Objective	Planned Results	Performance Expectations
Park communities are effectively governed and efficiently administered as models of sustainability.	Sound management practices and leadership in environmental stewardship in park communities.	• Develop No Net Negative Environmental Impact Frameworks for Parks Canada Town sites • Continue to improve environmental performance • 100% cost recovery for municipal services (i.e., water, sewer and garbage services)

Initiatives and Achievements

No Net Negative Environmental Impact Frameworks

The *Canada National Parks Act* requires a community plan for each of the national park communities, including the Banff and Jasper townsites. All the plans had been approved by June 2001. The community plans set objectives with respect to community boundaries, commercial zones, allowable development within the community, target populations and other measurable expectations. Parks Canada will continue to work with adjacent landowners and communities to influence land-use activities outside of the park.

Performance Expectation
Develop No Net Negative Environmental Impact (3NEI) Frameworks for Parks Canada Townsites

A No Net Negative Environmental Impact (3NEI) Framework identifies how each community impacts on the environment, how these impacts can be measured and what actions will be done to mitigate or manage the impacts. A review of progress on the development of 3NEI frameworks was undertaken in 2002-2003, aimed at identifying the state of progress, common environmental indicators among communities, and existing data on environmental impacts. The report will be finalized by November 2004.

As of March 2003, Banff, Waskesiu and Field have draft frameworks including some proposed environmental performance indicators. Lake Louise will be finalizing its framework in 2003-2004. Jasper did not develop its framework in 2002-2003 as was expected, and has deferred this work to 2003-2004. Wasagaming and Waterton have also not started the planned work on their frameworks and have not set target dates for the completion. Several more years will be required for all the communities to develop both performance indicators and management systems to support good reporting for the complete array of environmental objectives.

Environmental Performance

In the absence of complete frameworks, Parks Canada communities are working toward reducing their environmental impacts. The 2001-2002 Annual Report indicated that a community boundary and commercial zone boundary survey had been completed for each community. As of March 31, 2003, all surveys were registered in the Canada Land Survey Records. The intent is to register these surveys within Schedule 4 of the *Canada National Parks Act*. Registration of community boundaries, commercial lands and limits to commercial floor space will contribute to the achievement of limits to urban growth in national parks.

Performance Expectation
Continue to improve environmental performance

One area of environmental impact in most communities is sewage treatment. The status of projects that were undertaken in six of the seven communities is shown in the box.

In all cases, it is intended that effluent will meet, at a minimum, the standards suggested in the Federal Wastewater Guidelines, contributing to the long-term protection of the ecological integrity of the receiving environment.

Cost Recovery of Municipal Services

Parks Canada is committed to recover 100% of the costs related to provision of water, sewer and garbage services in the five parks communities (not including Banff and Jasper), with other municipal costs being funded by Parks Canada. Parks Canada's capital and operating costs for the townsites was $11.7 million[18]. Costs of providing water, sewer and garbage services were $1.9 million. A total of $2.3 million was recovered in fees for delivery of water, sewer and garbage services (i.e., the target of 100% cost recovery was exceeded by $0.4M or 21%). The surplus from water, sewer and garbage is being directed to recovery of capital costs for all utilities (water, sewer and garbage services).

Performance Expectation
100% cost recovery for municipal services (i.e., water, sewer and garbage services).

Water Treatment Projects at Communities Within National Parks

Banff	Completed the construction of an upgrade to the sewage treatment plant in 2002-2003.
Jasper	Construction of the new sewage treatment plant in 2002-2003. The plant will start to operate according to Jasper National Park Wastewater Guidelines by June 2003.
Waskesiu	Upgrading of the sewer lagoon began in 2001-2002, is expected to be complete by 2004-2005.
Wasagaming	Began a study in 2002-2003 to determine the status of water and sewage treatment, and develop a proposal for what is needed to improve service standards.
Field	Construction of a new plant, originally scheduled for 2002-2003, is now set to commence in June 2003, and is expected to be operational by March 2004.
Lake Louise	Upgrades to the existing plant were made in 2001-2002, improving the quality of effluent discharged into the Bow River.

[18] Effective April 2002, Parks Canada is not responsible for providing municipal services for Jasper townsite, and has transferred, at no cost, to the Jasper Municipality assets with an estimated value of $10 M.

THROUGH HIGHWAYS

Description and Expenditures

This service line includes the operation, maintenance and repairs of provincial and inter-provincial highways that pass through national parks and national historic sites. Expenditures for highways were:

(In thousands of dollars)		2002-2003	2001-2002
OPERATING (not including amortization and net loss on disposal)	Salary	10,774	10,994
	Other	14,729	13,721
	Total	25,503	24,715
CAPITAL		4,594	14,378

This service line represents 5% of Parks Canada's operating expenditures in each of the last two years. Significant capital spending in 2002-2003 on highways included $2.8 million on the Trans-Canada Highway in Glacier National Park of Canada and $0.8 million on the highway through Gros Morne National Park of Canada in Newfoundland and Labrador.

Strategic Objective	Planned Results	Performance Expectations
To maintain reliable, safe through transit that minimizes ecological impact.	Highways remain open to through traffic and interventions are designed to minimize ecological impact.	• Highways open to through traffic • Ecological reporting framework by March 2003

Initiatives and Achievements

Highway Condition

Sections of 21 numbered highways pass through 16 national parks and one national historic site, extending a distance of almost 900 kilometres. Of these 21 highways, two (the Trans-Canada and Yellowhead) included in the National Highway System pass through six national parks. The replacement value of these highways has been estimated at $1.1 billion, representing about 16% of the replacement value of Parks Canada's entire asset portfolio.

Performance Expectation
Highways open to through traffic.

Parks Canada is committed to keeping the highways open to through traffic barring uncontrollable environmental events (e.g., heavy snowfalls or excess rain resulting in rock slides). In 2002-2003, no highway was closed due to problems with the condition of the assets.

Although highways and bridges remained open, data last updated in 1999 show that the majority of these assets are judged to be in fair (45%) or poor (32%) condition. Fair condition reflects minor asset deterioration with some

loss of stability and/or performance that will worsen if corrective work is not carried out within three to five years. Poor condition reflects significant asset deterioration with major loss of stability and/or performance with high risk of accelerated deterioration or failure if corrective work is not carried out within one to two years.

Parks Canada undertakes regular inspections of highways and bridges to ensure that immediate safety issues are documented and, where possible, these concerns are addressed (e.g., potholes, damaged guide rails, etc.). Urgent health and safety, concerns that threaten public safety or where an asset is in immediate danger of collapse have been addressed in the last few years through supplementary allocations. Most of the major capital expenditures reported for this service line in this and previous Annual Reports are directed toward these urgent health and safety issues, and have not changed the overall condition rating of the asset. Therefore, the problem of rapidly deteriorating highway conditions persists without a permanent source of recapitalization funds, with resulting long term risks to public safety and personal property.

Managing Highways in a Sustainable Manner

As part of its commitment to sustainable highway management, and consistent with the *Canadian Environmental Assessment Act*, Parks Canada incorporates highway construction and design standards that mitigate the environmental impact of highways. This can include such sustainable practices as: requiring contractors to follow an environmental plan during work in the park; reducing road salt usage; using siltation controls during construction; using materials that reduce long-term maintenance and associated environmental risk (e.g., galvanizing versus painting of bridges); and use of local plant species in landscaping and rehabilitation of construction areas.

Sustainable management of highways also means reducing the effects of the highways on local animal and plant species. In Banff and Yoho National Parks of Canada, efforts have focused on reducing wildlife mortality and on reconnecting habitat separated by the Trans-Canada Highway. Fencing some sections of highway and redirecting animal crossings can reduce animal mortality. Between April 1998 and March 2003, in total 18 elk, black bear and wolf were killed on the fenced portion of the highway (an increase of three over 2002) compared to 74 in the non-fenced area (an increase of seven over 2002). However, fencing is not an effective intervention for all species. Coyotes, for example, either dig or easily squeeze under the fences in search of food along the highway median and have a greater mortality rate in fenced areas compared to unfenced areas (33 vs. 17 over the April 2002 to March 2003 period).

Fencing, although helpful in reducing the mortality of some species, contributes to habitat fragmentation, as does the highway itself. To address this problem, Parks Canada has built underpasses and overpasses along parts of the Trans-Canada Highway in the mountains parks for the exclusive use of wildlife. In 78 months of monitoring (November 1996 to March 2003), more than 44,579 individual wildlife crossings by medium-sized and larger animals have been detected. Each of these crossings spares wildlife from exposure to potentially fatal vehicle traffic.

Ecological Performance Reporting Framework

As a first step in developing an ecological reporting framework for highways, a review was undertaken of field unit commitments with respect to sustainable highways as well

as practices and performance indicators of sustainable highway management used in other jurisdictions. A draft of the review was prepared in March 2003. The final report is to be completed by fall 2003, a year later than originally expected. As a result, completion of the draft ecological performance reporting framework is delayed a year until March 2004. This report will be validated at the field unit level before finalization by March 2005.

Performance Expectation
Ecological reporting framework by March 2003.

One potential element of a framework concerns salt use on highways. Environment Canada has advised that salt in sufficient concentrations poses a risk to plants, animals and the aquatic environment. In response, Parks Canada has developed a draft Salt Management Policy. The proposed policy directs field units with responsibility for roads to use salt in an environmentally responsible manner, and to minimize the negative environmental effects of the handling, storage and application of salt. The proposed policy also requires the field units to assess the impact of using road salt and the need for developing a local Salt Management Plan, with specific goals and targets to be measured and reported annually. As of March 2003, two field units had prepared Salt Management Plans.

MANAGEMENT OF PARKS CANADA

Description and Expenditures

This service line relates specifically to the national office and includes senior management, financial management, real property management, business services, data and information technology management, and the development of legislation, policy and planning to guide the Agency, as well as the provision of effective relations and liaison with clients and stakeholders. Expenditures for the service line were:

(In thousands of dollars)		2002-2003	2001-2002
OPERATING (not including amortization and net loss on disposal)	Salary	17,707	21,455
	Other	28,916	27,729
	Total	46,623	49,184
CAPITAL		2,501	2,052

This service line represents 9% of all operational expenditures in each of the last two years. A significant capital expenditure in 2002-2003 of $800,000 was incurred at Waterton National Park of Canada for new workspace.

Strategic Objective	Planned Results	Performance Expectations
To maintain or improve management integrity, particularly focussing on effective decision making and results-based management.	Improved management frameworks to ensure effective decision-making and accountability.	• Complete Modern Comptrollership capacity check and action plan by June 2002 • Performance indicators and information systems for reporting for all planned results by March 2005
	Enhanced participation of Aboriginal peoples in Canada's heritage places.	• Targets to be determined

Initiatives and Achievements

Modern Comptrollership

The focus of the service line is on the development of a coherent planning, control and reporting framework and structures for the Agency, in line with Treasury Board's concept of Modern Comptrollership. The Modern Comptrollership Initiative identifies several dimensions of comptrollership including strategic leadership, motivated people, accountability, values and ethics, integrated performance information, risk management, and rigorous stewardship.

> ***Performance Expectation***
> Complete Modern Comptrollership capacity check and action plan by June 2002.

Parks Canada completed its formal assessment of the state of modern comptrollership using an

independent consultant selected by the Treasury Board Secretariat by June 2002. The Agency's Modern Management Action Plan was approved in January 2003, several months later than originally expected. The Plan identifies specific areas within each of the major comptrollership dimensions where action is required. In the short term, the focus has been on planning and leadership (e.g., new field unit sustainable business plans were developed in 2002-2003 for implementation over the next 5 years), stewardship (e.g., focused on developing an asset management framework and improved systems and data), and promoting the Agency's values and principles (e.g., preliminary work on developing a training package for managers). In the longer term, the sustained focus will be on risk management, accountability, and integrated performance information.

Performance Information

Parks Canada's previous commitments with respect to improved performance information were outlined in its *Performance Information Action Plan*. A review of progress against the plan was conducted in 2002-2003. The results of the review have been noted throughout this report (e.g., commitments to: develop an improved ecological integrity monitoring system; better report on the environmental impacts of both visitors and highways; and improve attendance data at the 20 most frequently visited sites). A revised Action Plan will be completed by fall 2003.

Performance Expectation
Performance indicators and information systems for reporting of all planned results by March 2005.

A key aspect of integrated performance information is the ability to link costs to planned results. In 2002-2003, the Agency began a review of its planning, reporting and accountability structure (i.e., the business and service lines shown in the section on reporting against plan), including examining how expenditure data can be better linked to planned results. The review will be completed in 2003-2004 with a view to implementing changes, if any, in the 2004-2005 fiscal year. In the meantime, some expenditure information by service line is provided in this Annual Report. Parks Canada's target is to have credible and relevant performance information for each of its planned results with associated expenditures per planned result by March 2008, three years later than previously anticipated.

Enhanced Participation of Aboriginal Peoples in Canada's Heritage

Performance expectations for enhanced participation of Aboriginal peoples in Canada's heritage places have been set out in the draft 2003-2008 Corporate Plan. These include maintaining Aboriginal employment consistent with labour-force availability, increasing national historic site designations related to Aboriginal history, increasing Aboriginal procurement and economic relationships, and a commitment that over the next five years, that every park and site where the messages are relevant will have some level of presentation of Aboriginal themes. Information relevant to these priorities is found throughout this report, including Parks Canada's progress in increasing its Aboriginal workforce (People Management Service Line), designations of nationally significant Aboriginal places, persons and events, and key activities related to strengthening relationships with Aboriginal peoples.

Performance Expectation
Targets to be determined.

PEOPLE MANAGEMENT

Description and Expenditures

This service line encompasses a comprehensive human resource management strategy necessary for effective operation of the Agency. Expenditures for the service line were:

(In thousands of dollars)		2002-2003	2001-2002
OPERATING (not including amortization and net loss on disposal)	Salary	9,663	8,873
	Other	3,179	3,200
	Total	12,842	12,073
CAPITAL		1	4

This service line represents 2% of Parks Canada operational expenditures in the last two years.

Strategic Objective	Planned Results	Performance Expectations
To manage Human Resources so that a qualified Parks Canada workforce, representative of the Canadian population, works in a positive and enabling environment.	Improved work environment, workplace renewal and representativeness.	• Key performance indicators by March 2004 • Workforce representative of both official language groups • Workforce representative of employment equity groups

As a separate employer under Schedule 1, Part II, of the *Public Service Staff Relations Act*, Parks Canada assumed responsibilities that were previously carried out by the Treasury Board Secretariat and the Public Service Commission. Parks Canada is building a new human resource management regime that will provide the infrastructure for employees to work in a positive and enabling work environment to deliver the Agency's mandate and excellent client service. The regime is based on values and operating principles for people management and will reflect the particular employee needs and operating environment of Parks Canada.

Initiatives and Achievements

Creating a Positive Work Environment

Parks Canada's four priorities for completing the required new human resources infrastructure and policies by March 2005 were outlined in the *Corporate Plan 2001/02 — 2005/06*. They are:

a) Collective bargaining

The establishment of Parks Canada as a separate employer offered a legislative opportunity to simplify and streamline the Agency collective bargaining infrastructure through the restructuring of its bargaining

units. As of April 2001, the Public Service Alliance of Canada was certified as the bargaining agent for Parks Canada. In July 2002, the first collective agreement was signed covering August 2000 to August 2003.

b) Development of a human resources management accountability framework

An Accountability Framework for People Management was approved in May 2002. The framework identifies key activities, performance expectations and potential performance indicators for the planned results in the Corporate Plan. Each result area is linked to Parks Canada's Human Resource Values and Operating Principles. Refinement of the associated indicators and measurement tools is continuing. In 2002-2003, the Agency began preparations for an employee survey to take place in summer 2003. The survey and other measurement tools will support the requirement in the *Parks Canada Agency Act* that an independent report be produced every five years on how the Agency has managed its human resources in keeping with its Human Resources Values and Operating Principles. The first report will be produced in 2003-2004.

Performance Expectation
Key performance indicators by March 2004.

c) Development of an overall compensation framework

There are three steps in building an integrated compensation framework: 1) develop an overall compensation strategy; 2) create a new classification system; and 3) subsequently realign the staffing and pay systems. The integrated framework is expected to balance the need for both internal and external relativity, and to lead to simplified and flexible compensation programs and equitable employment arrangements that contribute to recruitment and retention in critical skill areas. Development of the broad compensation strategy began in 2002-2003 with work on new compensation models.

d) Completion of national classification reviews

Work on the new classification system has been deferred until 2004-2005, pending completion of national classification reviews by March 2004. These reviews are designed to ensure employees' work is accurately described and classified under the current classification system. Three thousand positions had been reviewed as of March 31, 2003. Over generic job descriptions have been created to cover 80% of Parks Canada jobs. Of these generic job descriptions, 41 have been implemented affecting over 1,000 positions. The remaining generic position classifications will be completed in 2003-2004. Models and options for a new classification system will be proposed by March 2004, in conjunction with the development of the compensation strategy. Implementation will begin in 2005. The new system will be simpler and will better balance the need for internal and external relativity with regard to similar work. This will mean fewer classification groups and standardized (and, hence, more readily available) work descriptions required for the classification of jobs, leading to shorter turnaround times for classification decisions. The new system will also lead to greater consistency in salaries and greater mobility. In addition to meeting Parks Canada business needs, it will complement the generic job description approach. The realignment of the staffing and pay systems and the terms and conditions of employment will take place in line with the collective bargaining cycle.

Other Components of the HR Regime

Progress continues on high-priority human resource policy development in the areas of staffing and resourcing, labour relations and compensation with a focus on critical adjustments to the new Agency environment. For example, policies on official languages for the executive group and external recruitment of equity group members were developed or revised during 2002-2003.

During the year under review, further progress was made toward the achievement of a dispute resolution system that facilitates the resolution of disputes locally, quickly and through interest-based means to the extent possible, while still providing for rights-based recourse. As reported previously, the Agency's Independent Third-Party Review (ITPR) rights-based process was established in 2000-2001 to provide a single review mechanism for complaints in staffing, regular benefits policies and non-disciplinary termination. The Agency's interest-based, Alternate Dispute Resolution (ADR) system made some progress as well with the identification of sites to pilot implementation of ADR processes in 2002-2003. An evaluation framework for the program was also completed in 2002-2003. The pilots will be evaluated in 2004-2005 and strategies for further implementation will be developed jointly with the union.

Toward a Qualified Workforce

Demographic analysis has indicated that the employee population of Parks Canada is aging. Retirements are expected to put pressure on the Agency over the next five years, and significant high retirement rates are anticipated among executives (43%), physical scientists (36%), biologists (18%), engineers (50%), historians (46%) and architects (33%).

In 2002-2003, Parks Canada defined its approach to address strategic human resources issues facing the Agency. This approach designated senior managers as leads for 12 functional communities (finance, ecological integrity, heritage presentation, human resources, etc.), which are accountable for the development and implementation of functional community human resource plans. The plans are intended to ensure a sustainable pool of qualified staff to meet current and future program needs within each area. In 2002-2003, functional project managers received training in analysing the demographics and in identifying the issues facing these respective communities. They will develop functional community HR Plans in 2003-2004, addressing the issues identified to ensure that the Agency maintains its ability to carry out its mandate. Additional analytical capacity to support the updating of demographic information and human resource planning efforts was also put in place in 2002-2003.

In the last Annual Report, it was noted that, as of March 2002, about half of the field units had submitted human resource plans (HR Plans) to the Directors General, Eastern Canada, and Western and Northern Canada. The plans address in part local succession issues. Because of the focus on developing functional community HR plans at the national level, less emphasis was placed on completing HR plans at the local level in 2002-2003. Functional community plans will influence the HR plans that are developed at the field unit level in upcoming years. The HR plans already in place locally remain valid.

Toward a Representative Workforce

Parks Canada seeks a workforce that is both representative of the linguistic duality of Canada and representative of the four employment equity groups identified by the federal *Employment Equity Act*.

In 2001-2002, a National Employment Equity Strategy was established, based on the four pillars of increasing representation, increasing awareness, clear accountability and enhancing infrastructure to show progress. Annual employment equity priorities were established and a number of special initiatives were implemented to enhance representation.

Performance Expectation
Workforce representative of both official language groups

The participation of English-speaking (77.5%) and French-speaking (22.5%) employees in the Agency, as of March 31, 2003, generally reflects the proportion of both official languages communities in Canada. As of March 31, 2003, 78% (141 out of 180) of supervisors in bilingual positions in bilingual regions met the language requirements of their positions compared to 81% for the public service at large[19], and down slightly from the 2001-2002 Parks Canada percentage (i.e., 81% or 140 out of 171). Information on the satisfaction of visitors with service in the official language of their choice and on the number of complaints regarding language of service to the Commission of Official Languages was noted under Visitor Services.

Performance Expectation
Workforce representative of employment equity groups.

Parks Canada expects its work force to reflect the national labour market availability of employment equity groups. Parks Canada has coded its occupations according to the National Occupational Classification Codes (NOCs) in order to produce realistic comparison of its workforce with the external available workforce. In 2002-2003, Parks Canada also conducted a new employee self-identification survey to identify the proportion of its work force in each employment equity group. National labour market availability and the percentage of Parks Canada's current work force in the four employment equity groups are shown in Figure 20 (see box for how labour market availability is calculated).

Calculating Labour Market Availability

In 2001-2002, Parks Canada adopted a new approach to calculating labour market availability that considered only Canadian citizens who were members of designated groups in National Occupational Classification Codes corresponding to Parks Canada occupations. In 2002-2003, the approach was refined to focus on citizens in designated groups located in areas where Parks Canada might reasonably be expected to recruit. The net effect of these changes compared to the figures reported in 1999-2000 Annual Report is to reduce the real labour market availability of women by about 4% and members of visible minorities by about 7%. Real labour market availability disabled persons was reduced less than 1%, and has increased for Aboriginals peoples by about 2.5%.

Parks Canada's target was to have 20% of new employees in 2002-2003 from the visible minority, disabled or Aboriginal groups. Almost 18% of new employees were from these groups (71 out of 388). Forty-seven of the new employees were within the aboriginal group (15 professional/semi-professional and 32 in administrative/technical support) and 21 were in the visible minorities

[19] *(March 2002-2003)* Treasury Board Secretariat, *Official Languages Annual Report.*

(14 professional/semi-professional and seven in administrative/technical support).

Parks Canada continues to fall short of representing both women and visible minorities in its workforce relative to these groups' availability and has taken several steps to address this issue.

In 2002-2003, Parks Canada began providing managers with the representation of designated group members in their business units and the local labour market availability of group members. A Canada-wide directory of associations and organization with clients from designated groups was also produced to help managers engage these organizations in reaching members of groups.

Parks Canada also undertook a review of the representation of designated group members in 13 occupational groups throughout the agency to identify specific areas of under representation. This is to be followed in 2003-2004 with an audit of employment systems to identify and address systematic barriers should they be found to exist.

In addition to its continuing effort and commitment to national representation of equity groups in its total workforce, Parks Canada had a commitment to particular employment equity groups resulting from a human rights complaint. Pursuant to the settlement agreement between Parks Canada and Ms. V. Demuth, Parks Canada was required to make any reasonable effort to recruit 33% women and 8% visible minorities into the Park Warden Service (October 1996 to December 30, 2002). In 1997-1998, women represented 13% of the Warden Service with no representation by visible minorities. As of October 2002, women comprised 19% (71) and visible minorities 1.9% (7) of the Warden Service. The final report on the agreement was provided to the Canadian Human Rights Commission in December 2002.

Figure 20: National Labour Market Availability and the Percentage of Parks Canada Workforce in Employment Equity Groups

Employment Equity Designated Group Labour Market Availability (%) (Statistics Canada, Census 1996)		Percent of Parks Canada Workforce		
		March 2003	March 2002	March 2001
Women	42.9	39.9	39.4	39.3
Aboriginal Persons	4.6	8.3	5.2	4.6
Persons with Disabilities	5.9	5.7	3.2	3.0
Visible Minorities	3.7	2.1	1.3	1.1

Section 4: Consolidated Reporting

Material Management

Due to resource constraints, Parks Canada has not implemented a common system for taking inventory of and tracking low value assets. Managers are using a variety of systems for keeping inventories of the assets; five of the systems of which have undergone internal audits over the last two years. A working group is examining what high-risk assets should be inventoried and will report by March 2004. The implementation of an upgrade to the current SAP system in 2005 will provide a common module for inventorying low value assets.

Underground Storage Tanks

The Parks Canada Agency submitted its annual report on the *Canadian Environmental Protection Act*, Part IX Regulations respecting the registration of storage tank systems for petroleum products and allied petroleum products on federal lands to Environment Canada on April 30, 2002.

Service Improvement Initiative

The Agency is participating within a network of core departments and agencies, under the leadership of the Treasury Board Secretariat to further the use of the Common Measurement Tool, to develop an appropriate formula for applying the service improvement target and to define the key services to which the initiative is applied. The development of the Agency's Service Improvement Plan is delayed pending clarification of the above issues.

Parks Canada monitors visitor expectations and visitor satisfaction annually with the services it delivers at national parks and national historic sites. Parks Canada continues to aim for a satisfaction rating of at least 85% of visitors rating their overall visit as "satisfactory" or "fully satisfactory" and at least 50% or more indicating they were "fully satisfied". The section on Visitor Satisfaction under Visitor Services reports on the results of these surveys.

Government On-Line

As part of its commitment to Government On-Line (GOL) and under the aegis of the Canadian Heritage On-line Reservations and Ticketing project, Parks Canada has proceeded with the development of a national campground reservation system. The system that is being implemented will provide customers with the ability to make and change campground reservations in national parks using the Internet or a toll-free call centre. The system will be self-financing based on the

collection of reservation transaction fees from the system users. The knowledge and experience that is being gained from this initiative will serve to advance the overall GOL project as it expands to develop reservation and ticketing options for other programs and services offered by the Department and Portfolio Agencies.

Proposals to develop and implement the campground reservation system were solicited in 2002-2003. As of March 2003, a contract with the successful bidder was ready to be finalized pending the completion, by Parks Canada, of a privacy impact assessment. An initial prototype system is expected within 60 days of the contract signing date. Pilot testing the system in a number of selected parks is scheduled for the 2004 campground-operating season. The pilot testing will be followed by a national rollout of the campground reservation system during the 2005 campground-operating season. Implementation of the campground reservation system will require upgrading the informatics and telecommunications infrastructure in those parks and campgrounds that will use the system.

Modern Comptrollership

Parks Canada began a formal assessment of the state of Modern Comptrollership within the organization in 2001-2002. More details are provided in the section on Performance Measurement in the Management Service Line.

Human Resource Management

Details related to the human resource management, succession planning and a representative workforce are provided in the People Management section of this report.

Sustainable Development

In February 2001, Parks Canada's first stand-alone Sustainable Development Strategy (SDS) (**www.parkscanada.gc.ca**) was released. The SDS commitments have been integrated into Parks Canada's *Corporate Plan 2001/02 — 2005/06*. The following tables summarize Parks Canada's progress against the SDS strategic objectives (formally called goals), planned results (formally called objectives) and key activities. Note: two planned results regarding Parks Canada's environmental management system (EMS) are now treated as contributions to the ecological integrity strategic objective rather than as part of a separate strategic objective related to environmental stewardship in managing Parks Canada's operations.

SD Strategic Objective 1

To work toward completing the systems of national parks and national marine conservation areas so they represent all of Parks Canada's terrestrial and marine regions and to enhance the system of national historic sites, which commemorates Canada's history.

Planned Results	Progress
Creation of new national parks and new national marine conservation areas in unrepresented regions and completion of unfinished parks.	Parks Canada's commitments in *the 2001/02 — 2005/06 Corporate Plan* modified the commitment in the original SDS. The revised commitment is to sign agreements to establish two new national parks based on the availability of funding and to continue negotiations to establish one new national marine conservation area. The sections on Establishment of National Parks and National Park Reserves and Establishment of NMCAs and NMCA Reserves report on progress against these commitments.
Designation and commemoration of new national historic sites, persons and events, particularly in under-represented priority areas.	Parks Canada's commitments in this area have not changed. Progress is reported in the section on Enhancing the System of National Historic Sites of Canada related to the target of 135 new sites, persons and events designated over five years, and 55 designations related to Aboriginal, women's and ethnocultural communities' history.

SD Strategic Objective 2

As the first priority, to ensure the ecological integrity of national parks, the sustainability of national marine conservation areas and the commemorative integrity of national historic sites.

Planned Results	Progress
Maintain or restore ecological integrity of national parks and the sustainability of national marine conservation areas.	A detailed report on actions taken to respond to the priority recommendations of the *Report of the Panel on the Ecological Integrity of Canada's National Parks* can be found at **www.parkscanada.gc.ca** See also the Service Line 2 Heritage Resource Protection in this Report including detail on Parks Canada's work related to species at risk. Under the Federal House in Order initiative, Parks Canada is required to reduce its greenhouse gas emissions by 5.2% from 1998-1999 levels by the year 2010. A partnership with Natural Resources Canada provides Parks Canada with expert information for renewable energy technologies. The Master Plan for the Reduction of Greenhouse Gas Emissions within Parks Canada's Operations was completed and distributed. Parks Canada issued individual greenhouse gas reduction targets to each field unit and service center. Actions taken at the field level include implementation of the Federal Buildings Initiative, fuel switching initiatives to promote the use of ethanol-blended gasoline, and employee awareness sessions and workshops. Parks Canada has a complete Web-based inventory of its petroleum storage tanks prior to September 2001. The Agency has 64 underground and 127 aboveground tank systems. All petroleum storage tanks are registered and reported on as per regulation under the *Canadian Environmental Protection Act*. Parks Canada continues to develop its inventory of PCBs and halocarbons. By March 2003, the Agency developed 14 halocarbons inventories and 5 PCB inventories.
Maintain or improve the commemorative integrity of national historic sites.	See the sections on "Planning for and Assessing Commemorative Integrity at Parks Canada Administered Sites" for progress on completing management plans and commemorative integrity statements for national historic sites, and on the results of the latest assessments of CI.

SD Strategic Objectives 3 and 4

Ensure that commemorative and ecological integrity values are understood and supported by Parks Canada's stakeholders and the public.

To provide visitors at national parks and national historic sites with services to enable them to enjoy and appreciate heritage places, while ensuring that the associated levels of impact on resources are minimized.

Planned Results	Progress
Increased awareness, understanding of and support for the values of national parks and national historic sites.	See Service Line 3: Heritage Presentation for a discussion of the efforts to increase awareness, understanding of and support for the values of national parks and national historic sites. The commitment for an evaluation framework related to Parks Canada's work with the tourism industry has been integrated into this larger framework.
Visitor expectations and use are managed to ensure visitor satisfaction and minimize environmental impacts.	Progress on developing a visitor impacts framework is reported in the section on Visitor Services – Visitor Impacts.

SD Strategic Objective 5

Park communities are effectively governed and efficiently administered as models of sustainability.

Planned Result	Progress
Park communities have sound management practices and are leaders in environmental stewardship.	Progress on completing management plans for national park communities and for developing no net negative environmental impact frameworks including performance measures is reported in the section on Principle-Based Community Management.

Legislation Administered and Associated Regulations

The Minister has sole responsibility to Parliament for the following Acts and Associated Regulations:

Heritage Railway Stations Protection Act	R.S. 1985, c.52 (4th Supp.)
Heritage Railway Stations Regulations	
Historic Sites and Monuments Act	R.S. 1985, c. H-4
Laurier House Act	R.S. 1952, c. 163
Canada National Parks Act	S.C. 2000, c. 32
Canada National Marine Conservation Areas Act	S.C. 2002, c. 18

National Parks Aircraft Access Regulations
National Parks Building Regulations
National Parks Businesses Regulations, 1998
National Parks Camping Regulations
National Parks Cemetery Regulations
National Parks Cottages Regulations
National Parks Domestic Animals Regulations, 1998
National Parks Fire Protection Regulations
National Parks Fishing Regulations
National Parks Garbage Regulations
National Parks General Regulations
National Parks Highway Traffic Regulations
National Parks Lease and Licence of Occupation Regulations (1991)
National Parks Signs Regulations
National Parks Town, Visitor Centre and Resort Subdivision Designation Regulations
National Parks Water and Sewer Regulations
National Parks Wilderness Area Declaration Regulations
National Parks Wildlife Regulations

Town of Jasper Streetworks Taxes Regulations
Town of Jasper Zoning Regulations
Wood Buffalo National Park Game Regulations
Gros Morne Forestry Timber Regulations
National Historic Parks General Regulations
National Historic Parks Order
National Historic Parks Wildlife and Domestic Animals Regulations

Parks Canada Agency Act S.C. 1998, c.31

Saguenay-St. Lawrence Marine Park Act S.C. 1997, c. 37

Marine Activities in the Saguenay-St.Lawrence Marine Park Regulations

The Minister shares responsibility to Parliament for the following Acts and Associated Regulations:

Dominion Water Power Act R.S. 1985, c. W-4
Dominion Water Power Act Regulations

Department of Transport Act, sections 7,16,17 R.S. 1985, c. T-18
Historic Canals Regulations

Statutory Annual Reports and Other Departmental Reports

Parks Canada Agency Annual Report November 27, 2002

Parks Canada Agency Corporate Plan 2001/2002 to 2005/2006

Parks Canada – Report on Plans and Priorities 2002-2003 March 31, 2003

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR GENERAL'S ASSESSMENT
of Performance Information

To the Chief Executive Officer of Parks Canada Agency and
to the Minister of Canadian Heritage

Purpose and Scope

The *Parks Canada Agency Act* requires the Auditor General of Canada to provide an assessment of the fairness and reliability of the information about Parks Canada Agency's performance with respect to the objectives established in its Corporate Plan.

The Corporate Plan and the performance information in the Annual Report are the responsibility of Parks Canada Agency's management. My responsibility is to provide an assessment of the fairness and reliability of the performance information in the Agency's 2002-2003 Annual Report. To do so, I assessed the information against criteria for fairness and reliability that were discussed with the Agency and that are described in the Annex 1. I conducted my assessment in accordance with the standards for assurance engagements established by the Canadian Institute of Chartered Accountants. The assessment included an analysis of the information and an examination, on a test basis, of the evidence supporting that information. I did not assess or comment on the Agency's actual performance.

Parks Canada Agency has reported its performance in a section of its Annual Report titled "Performance against plan", and my assessment covers only that section. However, I did review the entire report for consistency with the performance information. I did not assess the information referenced by Web site hyperlinks.

Conclusion

In my opinion, the performance information gives a reasonably fair and reliable picture of Parks Canada Agency's performance for several key aspects of its mandate. For other key aspects, the Agency needs to present more complete performance information. While it clearly describes the processes put in place to enable it to better report on its performance in the future, the Agency needs to put emphasis on the development of performance information and eliminate further slippage in planned time frames.

Summary Assessment

In order to be able to report on its performance against objectives, Parks Canada Agency has developed and put in place a performance framework that defines what it expects to accomplish. In its report, the Agency provides information on all its service lines and provides performance information on outcomes for some of them. Where performance information is not complete, the Agency is in the process of putting in place the building blocks that should allow it to report on the performance of these service lines in the future. As recognized by the Agency, there is slippage in that process and that will delay its ability to provide a complete performance report.

Relevant

Concrete results are reported. The performance report provides readers with a good description of the programs involved, as well as contextual and background information, and the information reported is relevant. Even though financial information for important components of service lines is provided in the performance report, there is a need to add more in future reports.

More outcome information needed. Where performance information is not yet available, as in the "Heritage Resource Protection" service line, Parks Canada Agency clearly describes the important activities or strategies put in place that will allow it to report on performance in the future. While we recognize that it takes time to establish a complete performance reporting system, we encourage the Agency to provide some performance outcome information, even if it is incomplete and not fully developed.

Meaningful

Accomplishments are reported against stated expectations. Parks Canada Agency reports accomplishments against its performance expectations and in several cases presents comparative information from past performance. The Agency provides in its report selective, concise and clear information. This helps to make the performance information meaningful and understandable. However, the Agency would benefit from analyzing further its performance, as in the "Heritage Resource Protection" service line, where the state of commemorative integrity has been evaluated for some national historic sites, but the Agency is not discussing what has been learned and what will change. In addition, for future reports, we look forward to more performance expectations that are clearly and concretely defined with specified time frames, outcome focussed and a more visible demonstration of how what the Agency is doing is expected to contribute to its planned results.

Attributable

A focus on Parks Canada Agency's contribution. The report presents a clear description of the complexity of the processes and the many stakeholders involved in the achievement of the Agency's objectives. For example, in the case of "Establishment of national heritage places" service line, the roles and responsibilities of the various partners involved in the national historic sites system are clearly described. Where the Agency works in partnership with other groups, readers are generally made aware of the factors influencing the achievement of a particular outcome.

Accurate

The information is accurate and limitations are well documented. The performance information is generally supported by appropriate corroborative data sources and evidence. Parks Canada Agency has developed appropriate measures and methods of data collection for the information it reports. Information sources and limitations of data are well explained. This clarifies the accuracy level of the data and helps readers to interpret the performance information appropriately.

Balanced

A reasonably balanced performance report. Overall, the tone of the report is neutral and factual, with good explanations of the limits of the performance information. Parks Canada Agency describes the problems and challenges it has encountered and recognizes situations where performance has not met the objectives. All aspects of the Agency's mandate are included in the report. In addition, the importance devoted to the various service lines puts appropriate emphasis on the services that contribute directly to the Agency's mandate.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
12 September 2003

Annex 1

Criteria for the assessment of fairness and reliability
Office of the Auditor General

The following criteria were developed to assess the fairness and reliability of the information about the Agency's performance with respect to the objectives in its corporate business plan. Two major concerns were addressed: Has the Agency reported on its performance with respect to its objectives? Is that information fair and reliable? Performance information with respect to objectives is fair and reliable if it enables Parliament and the public to judge how well the entity or program in question is performing against the objectives it set out to accomplish.

Relevant The performance information reports in context, tangible and important accomplishments against objectives and costs.

Meaningful The performance information tells a clear performance story, describing expectations and benchmarks against which performance is compared.

Attributable The performance information demonstrates in a reasonable fashion why the program has made a difference.

Accurate The performance information adequately reflects the facts, to an appropriate level of accuracy.

Balanced A representative yet clear picture of the full range of performance is presented, which does not mislead the reader.

More information on the criteria is available on our Web site at www.oag-bvg.gc.ca.

Financial Statements 2002-2003

PARKS CANADA AGENCY

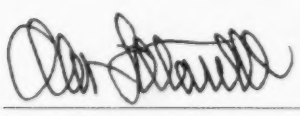
Management Responsibility for Financial Statements

The accompanying financial statements of the Parks Canada Agency are the responsibility of management and have been approved by the Executive Board of the Agency as recommended by the Finance Committee of the Agency.

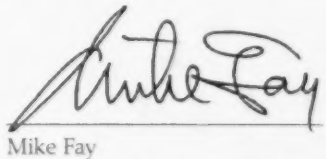
These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and, where appropriate, they include amounts that have been estimated according to management's best judgement. Where alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Management has prepared the financial information presented elsewhere in this annual report and has ensured that it is consistent with that provided in the financial statements.

Management has developed and maintains books of accounts, records, financial and management controls and information systems. They are designed to provide reasonable assurance that the Agency's assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of corporate objectives, and that transactions are in accordance with the Financial Administration Act and regulations, the Parks Canada Agency Act, and internal policies of the Agency. Internal audits are conducted to assess the performance of management controls and practices.

The Agency's external auditor, the Auditor General of Canada, has audited the financial statements and has reported on her audit to the Chief Executive Officer of the Agency and to the Minister of Canadian Heritage.



Alan Latourelle
Chief Executive Officer



Mike Fay
Chief Administrative Officer

September 2, 2003

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Chief Executive Officer of Parks Canada Agency and
to the Minister of Canadian Heritage

I have audited the balance sheet of Parks Canada Agency as at March 31, 2003 and the statements of operations, equity of Canada and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
September 2, 2003

PARKS CANADA AGENCY

Balance Sheet as at March 31

(in thousands of dollars)

	2003	2002
Assets		
Current assets:		
Cash entitlements (Note 3)		
General operations account	57,593	72,904
Specified purpose accounts	487	508
	58,080	73,412
Accounts receivable	4,952	4,735
Inventory of consumable supplies (Note 4)	4,912	5,826
	67,944	83,973
Property, plant and equipment (Note 5)	1,458,509	1,499,655
Collections and archaeological sites (Note 6)	1	1
	1,526,454	1,583,629
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities		
Federal government departments and agencies	12,898	11,783
Others	54,100	68,358
	66,998	80,141
Deferred revenue (Note 7)	6,779	6,856
	73,777	86,997
Employee future benefits (Note 8)	39,856	35,278
Provision for environmental clean-up (Note 9)	21,809	21,084
	135,442	143,359
Equity of Canada	1,391,012	1,440,270
	1,526,454	1,583,629

Contingencies and commitments (Notes 9 and 14).

The accompanying notes are an integral part of the financial statements.

Approved by:

Alan Latourelle
Chief Executive Officer

Mike Fay
Chief Administrative Officer

PARKS CANADA AGENCY

Statement of Operations for the Year Ended March 31

(in thousands of dollars)

	2003	2002
Expenses (Note 10)		
Stewardship of National Heritage Places		
Establishing Heritage Places	14,137	14,526
Protecting Heritage Resources	130,244	131,764
Presenting Heritage Resources	51,691	49,221
	196,072	195,511
Use and Enjoyment by Canadians		
Visitor Services	154,566	148,476
Townsites	7,998	11,227
Through Highways	25,503	24,715
	188,067	184,418
Corporate Services		
Managing Parks Canada	46,623	49,184
People Management	12,842	12,073
	59,465	61,257
Amortization of property, plant and equipment	77,818	77,806
Net loss on disposal of property, plant and equipment	10,083	541
Total expenses	531,505	519,533
Revenues (Note 11)	78,030	75,108
Net cost of operations (Note 12)	453,475	444,425

The accompanying notes are an integral part of the financial statements.

PARKS CANADA AGENCY

Statement of Equity of Canada for the Year Ended March 31

(in thousands of dollars)

	2003	2002
Balance at beginning of year	1,440,270	1,461,046
Net cost of operations	(453,475)	(444,425)
Services provided without charge by Government departments (Note 13)	39,703	36,889
Net cash provided by Government	379,846	389,002
Change in cash entitlements	(15,332)	(2,242)
Balance at end of year	1,391,012	1,440,270

The accompanying notes are an integral part of the financial statements.

PARKS CANADA AGENCY

Statement of Cash Flows for the Year Ended March 31

(in thousands of dollars)

	2003	2002
Operating Activities:		
Net cost of operations	453,475	444,425
Items which do not involve cash:		
Amortization of property, plant and equipment	(77,818)	(77,806)
Net loss on disposal of property, plant and equipment	(10,083)	(541)
Services provided without charge by Government departments	(39,703)	(36,889)
Net change in non-cash working capital balances	12,524	(719)
Increase in employee future benefits	(4,578)	(91)
Increase in provision for environmental clean-up	(725)	(6,167)
Cash used in operating activities	333,092	322,212
Investing activities:		
Acquisitions and improvements to property, plant and equipment	47,485	67,157
Proceeds on disposal of property, plant and equipment	(731)	(367)
Cash used in investing activities	46,754	66,790
Net cash provided by Government	379,846	389,002

The accompanying notes are an integral part of the financial statements.

PARKS CANADA AGENCY

Notes to Financial Statements as at March 31, 2003

(in thousands of dollars)

1. Authority and Objectives

In December 1998, Parks Canada Agency was established under the *Parks Canada Agency Act* as a departmental corporation and, when carrying out its operations, it acts as an agent of Her Majesty of Canada. The Parks Canada Agency is a separate entity listed under Schedule II of the *Financial Administration Act* and reports to the Minister of Canadian Heritage. The Agency is not subject to the provisions of the *Income Tax Act*.

The Agency's mandate is to protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public understanding, for present and future generations. In carrying out its mandate, the Agency delivers the program set out in the Agency's legislation and authorities.

The authorities for the programs for which Parks Canada is responsible are derived from the *Parks Canada Agency Act*, the *Canada National Parks Act*, the *Historic Sites and Monuments Act*, the *Canada National Marine Conservation Areas Act*, the *Department of Transport Act*, and the *Heritage Railway Stations Protection Act*.

2. Significant Accounting Policies

The Agency's financial statements are prepared in compliance with Canadian generally accepted accounting principles.

a) Parliamentary appropriations:

The Agency is financed mainly by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Agency do not parallel financial reporting according to Canadian generally accepted accounting principles, as they are based in a large part on cash flow requirements. Consequently, items recognized in the Statement of Equity of Canada are not necessarily the same as those provided through appropriations from Parliament. Note 12 provide information regarding the source and disposition of these authorities and a high-level reconciliation between the Net cost of operation and Appropriations used.

b) Deferred revenue:

Deferred revenue includes revenues received in advance of the services to be provided and funds received from external parties for specified purposes. Deferred revenue is recognized as operational revenues when the services are provided.

c) Inventory of consumable supplies:

Consumable supplies are stated at average cost.

d) Property, plant and equipment:

Property, plant and equipment, excluding land, transferred to the Agency as at April 1, 1999, are recorded at their estimated historical cost, less accumulated amortization. The estimated historical cost of the assets was established by deflating the current replacement cost to the year of acquisition or construction using factors based on changes in price

indices over time. This approach also took into consideration the overall asset condition and the cost of any improvements and major repair since the original acquisition or construction of the property, plant and equipment.

Property, plant and equipment, excluding land, acquired after April 1, 1999, are recorded at cost. Property, plant and equipment, excluding land, acquired at nominal cost or by donation, are recorded at market value at the time of acquisition and a corresponding amount is credited directly to the Equity of Canada. Improvements that extend the useful life or service potential are recorded at cost.

Amortization is calculated on the straight line method using rates based on the estimated useful life of the assets as follows:

Asset	Useful Life
Buildings	25-50 years
Fortifications	50-100 years
Leasehold improvements	2-10 years
Improved grounds	10-40 years
Roads	40 years
Bridges	25-50 years
Canals and marine facilities	25-80 years
Utilities	20-40 years
Vehicles and equipment	3-15 years
Exhibits	5-10 years

Land is recorded using the following valuation basis. Acquired lands are recorded at historical cost. Lands acquired as a result of Confederation or the subsequent joining of a province or territory are recorded at a nominal value. Donated lands are recorded at their estimated market value at time of acquisition with a corresponding amount credited directly to the Equity of Canada.

e) Collections and archaeological sites:

Collections and archaeological sites are recorded at nominal value.

f) Employee future benefits:

(i) Severance benefits:

Employee severance benefits are expensed to salary and employee benefits as the benefits accrue to employees under their respective terms of employment using the employees' salary levels at year end. The Agency's liability for employee severance benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole. Employee severance benefits liabilities payable on cessation of employment represent obligations of the Agency that are normally funded by future years' appropriations.

(ii) Pension benefits:

The Agency's employees participate in the Public Service Superannuation Plan administered by the Government of Canada. Both, the employees and the Agency contribute to the cost of the Plan. The contributions are recognized in the year incurred. The Agency is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

g) Services provided without charge by Government departments:

Services provided without charge by Government departments are recorded as operating expenses by the Agency at their estimated fair value. A corresponding amount is credited directly to the Equity of Canada.

h) Provision for environmental clean-up:

The Agency records a provision for environmental clean-up in situations where the Agency is obligated or is likely to be obligated to incur costs related to the remediation and removal of contaminated material from environmentally contaminated sites, and the cost can be reasonably estimated following a detailed environmental assessment.

i) Measurement uncertainty:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year. Employee-related liabilities, estimated useful lives of property, plant and equipment, environment-related liabilities and contingencies are the most significant items where estimates are used. Actual results could differ from those estimated.

3. Cash Entitlements

The Agency operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF.

Included in cash entitlements are the following:

a) General operations account:

Cash Entitlement for general operations represents the amount of cash that the Agency is entitled to draw from the Consolidated Revenue Fund of the Government, without further appropriations. As at March 31, 2003, the balance of the general operations account is $57.6 million ($72.9 million in 2002).

b) Specified purpose accounts:

Cash Entitlement for specified purpose accounts represents money received from external organizations which must be used for the purposes for which they are received. As at March 31, 2003, the Agency has a balance of $0.5 million ($0.5 million in 2002) for specified purpose accounts.

4. Inventory of Consumable Supplies

The inventory of consumable supplies as at March 31 consists of the following:

	2003	2002
Construction material and supplies	712	928
Equipment, materials and supplies	691	929
Miscellaneous other supplies	639	625
Top soil, sand, gravel and other crude material	624	779
Printed books, publications and maps	551	565
Fabricated wood and metal products	530	686
Fuel and other petroleum products	512	568
Uniforms and protective clothing	335	223
Safety equipment	318	523
	4,912	5,826

5. Property, Plant and Equipment

	Closing historical cost as at cost as at March 31, 2002	Net additions[1] for the year ended March 31, 2003	Closing historical cost as at March 31, 2003	Accumulated amortization as at March 31, 2003	Net book value as at March 31, 2003	Net book value as at March 31, 2002
Buildings, fortifications and leasehold improvements	686,986	8,059	695,045	395,055	299,990	306,728
Improved grounds	556,105	1,214	557,319	403,115	154,204	171,957
Roads	911,856	5,668	917,524	529,772	387,752	398,062
Bridges	140,781	1,656	142,437	71,012	71,425	72,099
Canal and marine facilities	502,356	8,210	510,566	234,593	275,973	274,963
Utilities	160,781	(15,904)	144,877	77,540	67,337	72,315
Vehicles and equipment	118,671	297	118,968	85,965	33,003	36,914
Exhibits	87,645	6,728	94,373	70,466	23,907	22,000
	3,165,181	15,928	3,181,109	1,867,518	1,313,591	1,355,038
Land (Note 2d)						
– Acquired land	124,724	301	125,025	–	125,025	124,724
– Crown land	1	–	1	–	1	1
– Donated land	19,892	–	19,892	–	19,892	19,892
	144,617	301	144,918	–	144,918	144,617
Total property, plant and equipment	3,309,798	16,229	3,326,027	1,867,518	1,458,509	1,499,655

[1] includes all acquisitions, dispositions and write-offs in the year.

The Agency owns over 27 million hectares of land, the majority of which comprise the 39 national parks and national park reserves representing 25 of the 39 natural regions of Canada. During the year, the Agency spent $0.3 million ($5.8 million in 2002) on the acquisition of land. The total cost of property, plant and equipment includes $66.3 million ($69.3 million in 2002) of construction in progress.

6. Collections and Archaeological Sites

Core to the Agency's mandate to protect and present nationally significant examples of our cultural heritage is the management of collections and archaeological sites. Although not capitalized like other cultural assets such as buildings or fortifications, these treasures have inestimable cultural value.

a) Collections:

The Agency manages collections that are made up of archaeological and historical objects.

The collection of archaeological objects includes specimens and records that represent a cross-section of human habitation and activities. These holdings consist of a range of functional groups of artifacts that represent domestic activities to industrial processes and includes tools, ships' fittings, as well as soil and botanical samples.

The collection of historic objects dates from the 10th century to the present day. They encompass ethnographic material, civilian, military and fur trade items, furniture and furnishings, tools and documents.

In addition, the Agency manages a collection of reproductions including period costumes, tools and furniture that have been copied from original objects or made based on historical data.

b) Archaeological sites:

An archaeological site encompasses surface, subsurface, or submerged remains of human activity. Archaeologists define a site by identifying the different activities that were conducted within an area. There are thousands of archaeological sites identified within Canada's 148 national historic sites, 39 national parks, and 2 marine conservation areas. The types of sites vary greatly, from Aboriginal villages, hunting camps, observation areas, and animal processing areas, to European fur trade and military posts, battlefields, shipwrecks, homesteads, and transportation and industrial sites.

7. Deferred Revenue

Included in the deferred revenue total of $6.8 million ($6.9 million in 2002) is an amount of $6.3 million ($6.4 million in 2002) representing the balance, at year end, for entrance fees, recreational fees, and rentals/concessions fees collected in advance.

The remaining $0.5 million ($0.5 million in 2002) of deferred revenue, represents monies received from external organizations which must be used for specified purposes.

8. **Employee Future Benefits**

a) Severance benefits:

The Agency uses the actuarially determined government wide ratio for calculating the liability for employee severance benefits. The employee severance benefit liability, including the short-term portion, is determined to be $41.4 million ($36.4 million in 2002). The amount expensed to salary and benefits in the period was $6.8 million ($2.1 million in 2002).

b) Pension benefits:

Contributions by the Agency to the Public Service Superannuation Plan of $26.3 million ($25.6 million in 2002) and by employees of $11.0 million ($10.7 million in 2002) are expensed to salary and employee benefits in the period incurred and represent the total cost under the Plan.

9. **Contingencies**

a) Claims:

In the normal course of business, claims have been made against the Agency totaling approximately $37.1 million, excluding interest, for alleged damages and other matters. The final outcome of these claims is not presently determinable and, accordingly, these items are not recorded in the accounts. In the opinion of management, the position of the Agency in all of these actions is defensible. Settlements, if any, resulting from the resolution of these claims will be accounted for in the year in which liability is considered likely and the cost can be reasonably estimated.

b) Provision for environmental clean-up:

The Agency has 312 sites that are known or suspected of contamination. Based on the detailed studies conducted thus far on 259 of these sites, the Agency assesses the liability at $21.8 million ($21.1 million in 2002) and the contingency for environmental clean-up at $119.5 million ($119.5 million in 2002).

The Agency recorded a provision for environmental clean-up in situations where the Agency is likely to be obligated to the remediation and removal of contaminated material from contaminated sites. The provision is determined based on recommendations from engineering reports and based on local experience. The cost of future activities is estimated in current dollars. The final liability may be more than the current amount estimated since the overall remediation costs are unknown.

The contingency reflects the suspected costs or potential additional costs associated with situations where it is uncertain whether the Agency is obligated, or where it is unlikely that the Agency will incur full remediation costs.

10. Summary of Expenses by Major Classification

	2003	2002
Salaries and employee benefits	275,806	269,265
Amortization	77,818	77,806
Professional and special services	48,205	46,703
Utilities, materials and supplies	40,837	39,537
Transportation and communication	23,321	23,619
Accommodation provided without charge	13,890	13,535
Rentals	10,939	9,833
Payments in lieu of taxes	10,697	10,280
Net loss on disposal of property, plant and equipment[1]	10,083	541
Repairs and maintenance	9,461	10,201
Information	5,466	5,346
Grants and contributions	3,721	4,741
Environmental clean-up	725	7,864
Other miscellaneous expenses	536	262
	531,505	519,533

[1] As at April 1st, 2002 Treasury Board approved under subsection 8(c) of the *Parks Canada Agency Act*, the transfer of the Agency's property, plant and equipment with a cost of $26.7 million to the Municipality of Jasper resulting in a loss on disposition of $9.8 million. The remaining net loss is from the disposition of other property, plant and equipment.

11. Summary of Revenues by Major Classification

	2003	2002
Entrance fees	35,169	31,904
Recreational fees	18,749	16,479
Rentals and concessions	14,815	14,673
Other operating revenues	4,647	6,365
Staff housing	2,403	2,332
Townsites revenues	2,247	3,355
	78,030	75,108

12. Parliamentary Appropriations

a) Appropriations used:

	2003	2002
Appropriations voted:		
Vote 110 – Program expenditures	381,366	372,740
Vote 115 – New parks and historic sites account	3,908	16,500
Statutory appropriations:		
Revenue pursuant to section 20 of the *Parks Canada Agency Act*	78,038	73,896
Contributions to employee benefits plan	40,484	33,803
Enterprise Units Revolving Fund[1]	–	(455)
Townsites Revolving Fund[1]	–	413
Total appropriations	503,796	496,897
Less:		
Amount available in future year	62,753	26,192
Appropriations used	441,043	470,705

[1] Treasury Board approved the repeal of section 3 of the *Revolving Funds Act*, as at March 31, 2002, for the Revolving Funds following the assessment of their mandate and a viability review. Revolving fund expenditures are now included under vote 110 - program expenditures while revenue are reflected in operational revenue pursuant to section 20 of the *Parks Canada Agency Act*.

b) Reconciliation to Government funding:

	2003	2002
Net cost of operations	453,475	444,425
Statutory revenue pursuant to section 20 of the *Parks Canada Agency Act*	78,038	73,896
Items not affecting funding:		
Amortization of property, plant and equipment	(77,818)	(77,806)
Services provided without charge by Government departments	(39,703)	(36,889)
Net loss on disposal of property, plant and equipment	(10,083)	(541)
	(127,604)	(115,236)
Changes in accounts not affecting current year's funding requirements:		
New parks and historic sites account	(1,509)	10,594
Accounts receivable	239	(1,013)
Inventory of consumable supplies	(914)	(1,137)
Employee future benefits	(4,578)	(91)
Accounts payable and accrued liabilities	(2,133)	(1,356)
Provision for environmental clean-up	(725)	(6,167)
	(9,620)	830
Property, plant and equipment funded by appropriations	47,485	67,157
Proceeds on disposal of property, plant and equipment	(731)	(367)
	46,754	66,790
Appropriations used	441,043	470,705

c) New Parks and Historic Sites Account:

The Government of Canada includes in its receipts and expenditures the transactions of certain consolidated accounts established for specified purposes. Legislation requires that the receipts of the specified purpose account be earmarked and that the related payments and expenses be charged against such receipts. The transactions do not represent liabilities to third parties but are internally restricted for specified purposes.

Funds are provided to the New Parks and Historic Sites Account by parliamentary appropriations, proceeds from the sale of lands and buildings that are surplus to operational requirements and all general donations. Furthermore, the Minister of Finance, may, on the request of the Minister of Canadian Heritage, authorize the making of advances of up to $10.0 million to the New Parks and Historic Sites Account. All amounts received remain in this account until eligible expenditures are made for the purpose of establishing or developing new parks or historic sites and heritage areas, in compliance with the terms and conditions set out in the *Parks Canada Agency Act* and related Treasury Board directives.

Details of activities for the fiscal year ended March 31 are highlighted in the following analysis:

	2003	2002
Available at beginning of year	13,128	2,534
Receipts:		
Parliamentary appropriation	3,908	16,500
Proceeds on disposal of land and property, plant and equipment	429	534
Donation	401	–
	4,738	17,034
Expenditures:		
Capital expenditures	4,866	4,923
Contributions	1,381	1,517
	6,247	6,440
Available at end of year	11,619	13,128

13. Related Party Transactions

The Agency is related in terms of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises. The Agency entered into transactions with related parties for a total of $27.4 million ($26.3 million in 2002) for services provided by Government departments, including an amount of $20.7 million ($19.7 million in 2002) with Public Works and Government Services Canada for architectural and engineering services.

During the year, the Agency received services without charge which are recorded at fair value in the financial statements as follows:

	2003	2002
Contributions covering employer's share of employees' insurance premiums and costs paid by Treasury Board Secretariat	16,999	14,688
Accommodation provided by Public Works and Government Services Canada	13,890	13,535
Services provided by the Department of Canadian Heritage for information management, information technology, finance, human resources and administrative support	7,510	7,510
Salary and associated costs of legal services provided by Justice Canada	829	525
Audit services by the Office of the Auditor General	250	310
Workers compensation coverage provided by Human Resources Development Canada	225	321
	39,703	36,889

14. Commitments

a) The Agency has entered into agreements for leases of equipment and operating leases for accommodations for a total of $13.4 million ($13.5 million in 2002). The agreements show different termination dates, with the latest ending in 2021. Minimum annual payments under these agreements for the next five years are approximately as follows:

2003-04	1,189
2004-05	955
2005-06	737
2006-07	661
2007-08	637

b) The Agency has entered into contracts for operating and capital expenditures for approximately $19.2 million ($12.0 million in 2002). Payments under these contracts are expected to be made over the next three years.

15. Comparative Figures

Some of the prior year's comparative figures have been reclassified to conform to the current year's presentation.